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# 3-Way Talks Are Crucial As Arafat Seeks Cash

By Douglas Jehl
*New York Times Service*

JERUSALEM — With the Palestinian Authority borrowing heavily from local banks to meet just part of its payroll, Israeli and Palestinian officials alike said Sunday that a closed-door meeting, including the Tel Aviv station chief of the CIA, could serve as an important test of willingness to budge in what has become a dangerous stalemate.

The three-way gathering of intelligence officials marked the panel's first meeting since the Israelis and Palestinians agreed last week to share information to rebuild trust by injecting the United States as referee.

The session was convened at a time of increasing American and international concern about the economic plight confronting the Palestinian Authority, which in the nearly three weeks since twin suicide bombers killed themselves and 14 others in a Jerusalem market has been cut off by Israel from nearly $40 million in payments on which the Authority heavily relies.

The Palestinian leader, Yasser Arafat, and his government have now managed to pay about 60 percent of the Authority's 80,000 employees the salaries they were owed for July, American officials said Sunday. But Mr. Arafat has been able to do so only

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Prime Minister Netanyahu taking a swim in the Mediterranean while on vacation at the Israeli resort of Caesarea.

# *Steadily, Hamas Fills a Social Void*

By William Drozdiak
*Washington Post Service*

GAZA CITY — Amid the dusty squalor of the most densely populated enclave on Earth, the Islamic resistance movement known as Hamas appears to be enjoying a new resurgence in public esteem.

With nearly 50,000 Palestinian laborers from Gaza now barred from going to work in Israel, Hamas distributes food and small stipends to sustain their families. Idle youths are attracted in droves to Islamist seaside camps where they find recreation mixed with evangelism. Muslim clinics offer free medical care to the ill and infirm.

While the Israeli government of Prime Minister Benjamin Netanyahu and Yasser Arafat's Palestinian Authority wrestle over the fate of the peace process, widespread disillusionment with both parties among Gaza's one million inhabitants is creating a political and social vacuum that is rapidly being filled by the Islamic fundamentalist group.

"We find that support for our movement is getting stronger every day," said Abdel Aziz Rantissi, a top political leader in Hamas who teaches at the Islamic University in Gaza. "I would guess that 50 percent of the people in the street are with us now, including many students, teachers, doctors and engineers. Even some of Arafat's people are defecting to us, and I expect more of them to join us in the future."

Hamas's military wing, the Izzedin

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# Kenya Chief Blames Rampant Tribalism For Surge in Violence

*Reuters*

MOMBASA, Kenya — President Daniel arap Moi implicated the political opposition Sunday in violence that has killed more than 30 people in the Mombasa area, saying tribalism had become rampant and was being used by "leaders with selfish interests."

Arsonists razed about 100 roadside kiosks and dozens of houses around Mombasa on Sunday after five Kenyans were killed and many hurt overnight by unidentified attackers, witnesses said. The government sent in the army to back the police and paramilitary units battling to end five days of violence in the area, having withdrawn the soldiers a day earlier.

Mr. Moi, 73 and in power 19 years, said the opposition, battling him for constitutional reforms before elections due later this year, spent all their time talking without contributing to the development of the people.

But in Mombasa, an opposition member of Parliament, Rashid Mzee, told the BBC that he suspected Mr. Moi's ruling Kenya African National Union party was behind the chaos, as part of a move designed to forestall a campaign for reforms and delay the elections.

Mr. Mzee said the police had arrested some opposition activists, Muslim leaders and human rights officials in Mombasa.

Several thousand foreign tourists on the coast north and south of Mombasa were advised to stay inside their hotels, but no visitors had been caught up in the violence, officials said.

Figures furnished by the police showed a total of 31 people had been killed in the fighting since it erupted last Wednesday night with an attack on a police station.

The Coast Province police chief, Francis Gichuki, told reporters that 69 people had been arrested and would appear in court Monday. Three stolen rifles and five pistols had been seized.

"We are treating this as thuggery and do not see a political motive," Mr. Gichuki said. "The situation is fluid but it is under control. It took us by surprise."

The police chief said two local administrative police were missing, but gave no details.

Local residents said those killed were mainly people who originally came from outside the coastal region. They pointed to leaflets written in Swahili and distributed around the region. "The

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# *Military Role Of the U.S. In Rwanda Was Extensive*

By Lynne Duke
*Washington Post Service*

JOHANNESBURG — U.S. involvement with Rwanda's military has been far more extensive than previously disclosed, including psychological operations and tactical Special Forces exercises a few weeks before the start of last fall's Rwanda-led insurgency in neighboring Congo, an internal Defense Department chronology shows.

The training in Rwanda has occurred over the last three years and involved hundreds of Rwandan participants. Their training, most often by U.S. military personnel in battle dress, has included combat, military management, disaster relief, soldier team development, land-mine removal, and military and civilian justice, according to the Defense Department chronology draft, which is being prepared, but has not yet been released, in response to congressional questions about the U.S. military role in Rwanda.

U.S. officials have offered various descriptions of the nature of this training, sometimes calling it classroom-style, and generally suggesting it is intended simply to professionalize the Rwandan military and inculcate it with respect for human rights. But the chronology indicates the training was extensive and included combat training, and it shows a near-continuous presence of U.S. military personnel in Rwanda since early 1995.

"The program has not been as innocuous as it is being made out to be," said a policy official familiar with the eight-page draft document, which was obtained by The Washington Post.

The training came amid a more widespread U.S. effort to seek greater military involvement with a number of African nations. The regular U.S. presence in Rwanda and the training that was offered occurred as the poverty-stricken and war-torn Central African nation, with tacit U.S. support, was suddenly emerging as a regional power broker.

The Rwandan military, dominated by members of the Tutsi ethnic minority, was mounting a campaign against armed, ethnic Hutu militia groups that were attacking Rwanda from refugee camps in neighboring Congo, then known as Zaire. That campaign evolved into a broader offensive that eventually toppled the Zairian dictator, Mobutu Sese Seko.

While being trained by the United States, Rwanda's military was itself training Zairians to participate in the ultimately successful anti-Mobutu forces. A high-level Pentagon official this past week acknowledged the possibility that, inadvertently, the United States may have trained some of the fighters who ousted Marshal Mobutu.

The Pentagon official, who is familiar with the draft chronology, said the Special Forces training that Rwanda received in July and August of 1996 was "of course" designed in part to help the

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# Plague of Teenage Suicides Jolts Dead-End South Boston

By Sara Rimer
*New York Times Service*

BOSTON — Kevin Cunningham, 17, was buried last month, four days after he hanged himself from the porch of his family's house, leaving no note.

He was the sixth young man from fiercely proud, mostly white, mostly Irish South Boston to commit suicide since the end of December.

His name was added to the roll call that echoes from the rows of tidy three-decker houses to the low-rise brick housing projects, from the saloons to the street corners, where groups of sad teenagers remember their lost friends: Duane Liotti, 21; Kevin Geary, 17; Jonathan Curtis, 16; Tommy Mullen, 15, Tommy Deckert, 15. They all died the same way, by hanging.

The priest at St. Brigid's parish, the Reverend John Culloty, was at a loss as he began the funeral Mass for Kevin Cunningham. Kevin's older brother, Christopher, is in jail, charged with robbing Father Culloty at gunpoint last year of the church bingo receipts.

"There is something unreal, unnatural about all of this," the priest told the mourners who filled the church. "We seek answers, we seek explanations, but there really aren't any answers."

What is clear is that there is a contagion of despair among many of the young people of South Boston. It is not only the six suicides that have staggered the neighborhood. Since January, city officials say, about 70 teenagers — most of them male — have been hospitalized for attempts at, or thoughts of, suicide.

The despair runs like an electric current through a community once celebrated for its dynamic ability to overcome any obstacle. For well over a century, Southie, as it is called, was a place where Irish immigrants, and later Italians, Lithuanians and Albanians, too, could climb the ladder from poverty to middle-class success.

Bordered on three sides by Boston Harbor, Southie was a self-contained world that could educate its children, instill in them spiritual faith and community loyalty, and provide them with the certainty of decent jobs.

Southie was especially proud of its men. They were known as priests and politicians, as policemen and firemen, as longshoremen, fishermen and factory workers. They were hockey stars and football players, and a few of them were organized crime leaders.

Now, the priests of Roman Catholic Southie have said funeral Masses for six young men in seven months.

For decades, the neighborhood fought to protect its children by raising barricades against outsiders and change. When change arrived, in the form of court-ordered busing in the 1970s, Southie waged war against it, becoming a national symbol of Northern resistance to school desegregation, its motto of Southie pride hardening into a battle cry.

The threat was always viewed as coming from the outside: from Protestant Yankees, the federal courts, minorities and suburban liberals. Outsiders could even be blamed for a relatively recent plague of drug abuse and a string of fatal heroin overdoses that immediately preceded the suicides.

"People could say, 'Oh, it's the drug dealers' fault, it's outside,'" said Kathy

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Keith Meyers/The New York Times

Makeshift crosses left by friends at the grave of Tommy Mullen, 15.

# Wall Street Ponders Drop: Why Now?

By Floyd Norris
*New York Times Service*

NEW YORK — The August swoon of the stock market, which has sent the Dow Jones industrial average down 6.8 percent in just seven trading days, has stunned Wall Street in large part because there is no easy explanation for it.

On Friday, the Dow dropped 3.1 percent, or 247.37 points, to 7,694.66. It was the worst tumble in percentage terms since November 1991 and the biggest point loss for the Dow since the 508-point drop on Oct. 19, 1987.

"The selling has been relentless, against the backdrop of very good news," said David Shulman, chief equity strategist at Salomon Brothers.

The good news has included the best inflation news in years, along with reports of gains in productivity. It has also included a reduction in the capital gains tax that had long been sought by Wall Street.

Wall Street has not seen the Dow fall as much as 6.8 percent in seven trading days since the spring of 1994, when rising interest rates were blamed as the culprit. This time, interest rates have risen, but not by huge margins. In fact, long-term interest rates fell a bit last week, even as the Dow was having its worst week since 1990.

It is possible that warnings about stock market valuation are finally having some effect. By many measures, stocks are the most expensive they have ever been, although many Wall Street analysts have defended such valuations as being justified by the strong economy and absence of inflation.

It may also be that some investors recall that it was almost 10 years ago, in August 1987, that the market peaked, only to fall 36 percent over the next eight weeks, culminating in that year's crash.

What is clear is that investors are a bit less willing to send money to mutual funds. In the week ended last Wednesday, some funds saw net withdrawals of money for the first time in months, according to AMG Data Services.

That coincided with the enactment of the new tax law, and it is possible that some investors decided to take profits at a time when the capital gains tax rate on stocks owned for more than 18 months is down to 20 percent. There had been talk about such selling, but most analysts had expected it to be minimal.

The recent selling has been the most dramatic among some of the largest, best-known and heretofore most successful stocks, the types of blue-chip stocks that had risen as money poured into index funds that bought all the stocks in the Standard & Poor's index of 500 stocks.

Gillette Co., for example, fell more than 5 percent Friday after it warned that sales overseas were lower than expected. Similarly, Coca-Cola Co. had led the market lower the previous Friday after it warned that profits would lag behind expectations.

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## *Will It or Won't It?*

Germany's central bank has played a canny game with the foreign-exchange market.

The Bundesbank will have two opportunities this week to carry through on its threat to lift interest rates to underpin the Deutsche mark but analysts say that a rate increase is unlikely.

In the absence of Bundesbank action, the dollar is expected to catapult above 1.90 DM. Page 11.

## AGENDA

### New Glitch Delays a Rendezvous for Mir

Russia's cavalcade of glitches in space resumed Sunday when mission control postponed docking the Mir space station with a cargo vessel because of a computer miscue.

A computer aboard the cargo craft rejected an order from Earth to fire rockets and approach Mir. A spokesman for mission control said information provided by ground controllers to Progress was flawed.

The director of mission control, Vladimir Solovyov, looked irritated as he announced the delay. Such a mistake might not normally attract attention but it followed a parade of problems with Mir starting in February.

The spokesman for mission control said that the "operator error" would be "easily fixed" and predicted that the docking would take place on Monday. Page 6.

### Hun Sen 'Peace' Coup

The Cambodian government under Prince Norodom Ranariddh and the remaining holdouts of the Khmer Rouge were a day away from announcing the end of civil war when Hun Sen struck, deposing his co-prime minister. Page 4.


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# *Scandal Throws South Korean Presidential Election Wide Open*

By Kevin Sullivan
*Washington Post Service*

SEOUL — When Lee Soo Yon reported for his compulsory military service in 1989, military authorities excused him because he was judged to be severely underweight — just 90 pounds (40 kilograms), even though he stood 5 feet 5 inches tall. Two years later, Mr. Lee's brother, Lee Jung Yon, received a similar exemption — he was 5 feet 11 inches and weighed 99 pounds.

The exemption from military service for the two brothers from a well-to-do Seoul family raised few eyebrows at the time, even though each had dropped more than 20 pounds between their initial military physicals and the dates they reported for duty. But now that their father, the former Supreme Court Justice Lee Hoi Chang, is running for president as the governing party's anointed successor to President Kim Young Sam, the two young men's lack of military service has become a candidate's nightmare, raising questions of special treatment for the well-connected elite.

The scandal has turned the race for the Dec. 18 presidential election into South Korea's most closely contested campaign in its modern history.

For decades, the governing party's candidate was virtually guaranteed to win. Now, with Mr. Kim's party buffeted by scandals, including one that led to his son being tried for corruption, and with Mr. Lee's squeaky-clean image tarnished, the presidential campaign has become a wide-open contest among at least four, and maybe five or more, serious candidates. And the governing New Korea Party has found itself in the unusual position of trying to boost a candidate running second in the polls. "Nothing illegal has been done, and nobody has tried to intentionally evade military service," Mr. Lee said in an interview Thursday.

"I'm having a little bit of a hard time now. But once it has been made clear that nothing illegal was done, I don't think this is an obstacle I cannot overcome."

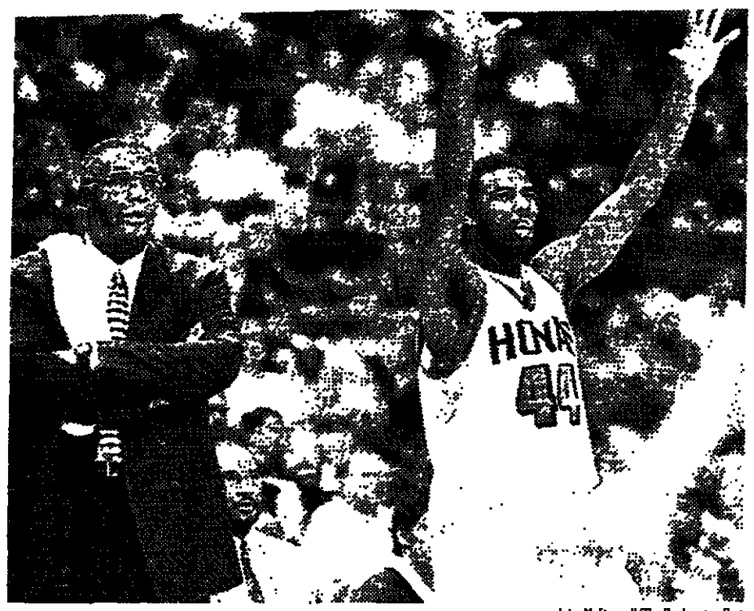
Mr. Lee, 62, an intellectual and a long-time public servant who has built a reputation for integrity and strict enforcement of the law, had approval ratings as high as 40 percent when he was nom-

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*Basketball at Georgetown* / **Athletes' Graduation Rate on the Decline**

# When the Coach Disappoints the Dean

By Bill Brubaker
*Washington Post Service*



John M. Dunnell/The Washington Post

*"I don't look at a kid who's poor, a kid who's talented, and say that I'm not going to take that kid because he might leave in one year or two years," says Thompson, at left during a Georgetown game.*

WASHINGTON — For 25 years, Georgetown University's John Thompson has been known as a basketball coach who demanded academic results. "I don't want to coach another student-athlete who doesn't graduate," Mr. Thompson said in 1984, the year Georgetown won its only National Collegiate Athletic Association basketball title. "An education is what these kids are here for."

But Mr. Thompson has changed his philosophy in recent years. He no longer speaks of graduation as the only acceptable outcome for his recruits — a view that puts him at odds with the one held by Georgetown's dean of admissions.

At the same time, Mr. Thompson has been recruiting athletes with standardized test scores substantially below the average for players at similar universities. Many of his recruits have left his program or been asked to leave.

Over the last two seasons, Mr. Thompson's leading scorers — Allen Iverson in 1996 and Victor Page in 1997 — have left Georgetown as sophomores to enter the National Basketball Association draft. And among the 17 athletes Mr. Thompson brought to the university as freshmen from 1992 through 1996, seven withdrew before reaching their senior years. That 59 percent retention rate compares with a rate of about 90 percent for all freshmen who enter Georgetown.

"That's clearly disappointing to us," said Georgetown's longtime dean of undergraduate admissions, Charles Deacon 3d. He added that as a result of these early withdrawals, Georgetown would begin scrutinizing athlete applicants more carefully. "Whether John is or not — and I'm sure he is also — our admissions committee will be looking more than ever for a true commitment to getting a degree," Mr. Deacon said.

Mr. Thompson said he had no plans to scrutinize prospective recruits more carefully. He said that he specifically seeks athletes from low-income families "to undo some of the wrongs that have been done" by society and that he feels this is a proper role for his university. "If the strong can't help the weak, who can?" he said.

"I don't look at a kid who's poor, a kid who's talented, and say that I'm not going to take that kid because he might leave in one year or two years," Mr. Thompson said. "Because I feel that Georgetown University has made a major contribution to the life of Allen Iverson and Victor Page."

Mr. Deacon's and Mr. Thompson's philosophies diverge amid a debate within major-college athletics. College presidents are seeking to increase graduation rates among athletes, in part, by creating higher academic standards for incoming freshmen. Others, such as Mr. Thompson, say the NCAA's standards prevent students with disadvantaged backgrounds, many of them black, from getting a chance to earn a degree at a major university.

The presidents say the more stringent standards are necessary to improve the NCAA's academic integrity. Critics say the presidents are concerned more with public relations than with giving opportunities to underprivileged athletes.

"Universities are put here to fit the needs of society," Mr. Thompson said, "not to fulfill their reputation."

Mr. Deacon said that Georgetown's five-person Committee on Admissions, on which he serves, had made "judgments that didn't work out correctly" in admitting some men's basketball players.

The 12 Thompson recruits who took the Scholastic Assessment Test before entering Georgetown as freshmen from 1993 through 1996 had an average score of 821, according to NCAA statistics made public this summer. SAT scores range from 400 to 1,600.

This compares with an average of 944 for men's basketball players at all private NCAA institutions. And it compares with a mean score of about 1,275 for all Georgetown students during those years, according to the university.

Mr. Thompson noted that several of his recruits who took the English language test came from countries in which English was not the primary language — a possible reason, he said, for the lower-than-average scores.

Mr. Deacon estimated that 50 percent of Mr. Thompson's recruits over 25 years had entered Georgetown through a program for academically deficient, minority students. They were admitted through Georgetown's Community Scholars Program "probably because our admissions committee could not rationalize, looking at credentials, that they could make it" without this support, Mr. Deacon said. During the last decade, about 90 percent of Mr. Thompson's recruits have been black.

The dean said that about 50 students are admitted each year through the program, which is overseen by Georgetown's Center for Minority Student Affairs and includes a three-week summer writing-English course and tutorial assistance for a year. Mr. Deacon said that in addition to men's basketball recruits, the program had brought "other athletes, nonathletes, even kids of the board of directors" to Georgetown.

"When I got to Georgetown, all of the freshmen on the men's basketball team were in Community Scholars," said Patrick Ewing, the New York Knicks' center and a 1985 Georgetown graduate. "I wasn't a great student in high school. The program gave you a taste of what the college work is going to be like."

Georgetown officials, when citing Mr. Thompson's graduation rate, use the following statistic: Over his 25 years at the university, 75 of the 77 athletes who stayed in his program at least four years graduated.

The NCAA uses a different measuring stick. It bases graduation rates on the number of athletes who earned diplomas from the universities in which they enrolled as freshmen. According to the NCAA's most recent statistics, the graduation rate for the men's basketball players who entered Georgetown as freshmen from 1987 through 1990 was 47 percent (7 of 15). That compares with 91 percent for all freshmen entering Georgetown during those years, 88 percent for all Georgetown scholarship athletes and 59 percent for men's basketball players at all NCAA private institutions.

At age 55, Mr. Thompson remains one of America's most successful, controversial, autocratic and, his supporters say, principled coaches. In one interview this summer, he spoke of his determination to give socially disadvantaged athletes — most of them black, as he is — an opportunity to receive an elite education.

"In an airplane, what do they tell you? They tell you that if the plane is going down, put the mask on your face first and then help the baby," Mr. Thompson said. "This is the same thing: Georgetown has the mask on its face."

Since 1995, an athlete's eligibility to compete as a freshman at a major NCAA school such as Georgetown has been determined by a sliding scale. An athlete is eligible, for example, with an 820 SAT and 2.5 grade-point average in 13 core high school courses or a 1,010 SAT and 2.0 grade-point average. Mr. Thompson and many other college coaches and administrators have contended that standardized tests are culturally, economically and racially biased against minority students.

"I think the SATs are very, very, very badly misused," Mr. Thompson said.

The NCAA's director of research, Ursula Walsh, said standardized tests "predict graduation rates. They're not great. They're as good as the high school grade-point average, and an unweighted average of the two is what's being used to determine eligibility. It's the best method, there is. But it's not perfect."

The NCAA's Walsh said the graduation rate of black athletes entering major-college athletic programs as freshmen increased from 36 percent in 1985 to 46 percent in 1990. However, during the same period, the percentage of black athletes at major NCAA schools declined from 27.5 percent to 24.9 percent — an indication, say critics of the NCAA reforms, that the higher standards have kept many black athletes off college campuses.

"The NCAA should be less concerned about its damn standards and more concerned about having an effect on what has happened to our youth in society today," Mr. Thompson said. "Our young people are becoming disinterested or not motivated to do anything."

He said he would take chances on athletes who, by Georgetown's standards, have low academic profiles — even if that means having to ask them to leave if they don't succeed.

"Hey, I don't want Georgetown to be a place — ever — where everybody and anybody can walk in there and do nothing and come out with a degree," he said. "Probably most of the men's basketball players who left were asked to leave" by Mr. Thompson.

# For Mountain Climbers, Alps Hold Deadly Lure

## *Death Toll Near 60 on Mont Blanc Range*

By Craig R. Whitney
*New York Times Service*

CHAMONIX-MONT-BLANC, France — Joseph Purser, a 19-year-old Alpine hiker from Dublin, made it to the 15,771-foot summit of Mont Blanc.

Mr. Purser was one of hundreds of people swarming over the mountain in brilliant sunshine Friday morning. Many had paid no attention to warnings of the freezing clouds that swirled up out of nowhere and descended on the mountain later Friday afternoon.

But he was prepared with warm clothing, shoe spikes, food and fuel, so Mr. Purser was not one of the 60 people who, day after day, summer and winter, end up seeing Dr. Bernard Marsigny in the emergency room of Chamonix Hospital to be treated for broken limbs, twisted ankles, or worse.

Just since the beginning of July, and just on the French side of the Mont Blanc range, 25 people have been killed trying to make their way up the vertiginous granite pinnacles, over treacherous glaciers with crevasses that can swallow up whole parties of mountaineers without a trace.

In the last 10 days alone, five people fell to their deaths in the Swiss Alps, and two climbers died in the Italian Alps on Sunday, following the death of another on Thursday.

"It does make you think twice, but it's a calculated risk," said Mr. Purser, who expects to return safe and sound to his geographical surveying studies in Ireland later this month. "The rock climbing here is fine, the granite is good and solid, but falling rocks, ice, or bad snow conditions can always get you."

The thrill of danger is part of what lures so many people to Europe's mightiest mountains, which can still be lethal despite the popcorn machines and beer dispensers at 12,000 feet (3,658 meters).

In all, close to 60 people have lost their lives in the Alps from France to Austria so far this season.

And, according to Dr. Marsigny: "By the end of the year, I know we'll have about 50 dead on the French part of the Mont Blanc massif. I know that because we have 50 every year. For many of the people who come, Mont Blanc is just Disneyland — they come to enjoy themselves, not to worry about the dangers."

Modern civilization and dense population have made the Alps far more accessible than the Himalayas, or even the Rockies or the Andes, and that easy access puts a lot of people at high altitudes who are not equipped to deal with unplanned difficulties. Skiing in and around Mont Blanc adds to the pleasure and the hazards.

But even long experience of the high mountains is no help sometimes. Regis Michoux, a veteran 42-year-old guide, was swept to his death in an avalanche of late-season snow on the last weekend of July while taking a group of rescuers he had been training down the 13,520-foot Aiguille Verte, or Green Pinnacle, on the north section of the massif.

He was the 87th member of the Company of Chamonix Guides, which celebrated its 176th anniversary Friday, to have died with his pickax "*en montagne*," as the guides say.

"A rock fall, ice, treacherous snow — there are some things that can happen to anyone," said Xavier Chappaz, who led the guides in their blue blazers, patterned wool knee socks and breeches, and knotted rope shoulder decorations to the Chamonix cemetery Friday for a tribute to their fallen comrades.

The natural laws the mountain obeys are absolutely unforgiving of carelessness or a carefree moment like the one that took the lives of Clare Kempster, a 31-year-old mountaineer from Australia, and Mark Haseler, a 39-year-old climber from England, on July 22.

With another British companion, Mike Wigney, 37, they had just reached the 13,291-foot summit of the Aiguille de Bionnassay, on the south side of the massif below the summit, and wanted a picture of the two of them together.

Mr. Wigney detached himself from their safety rope, and just then Miss Kempster saw her rucksack start to go down the narrow, steep summit.

"I bent down to put the camera away and then all I saw was the rucksack fall," Mr. Wigney told The Sunday Times of London later. "Clare went for the rucksack, head first down the slope, and Mark lunged after Clare. I saw them slip for two or three seconds, then they disappeared."

The pair slid down a nearly vertical snow slope and then fell 1,200 feet off the mountain, past other climbers who heard no sound but the rope binding the two together swishing as it cut through the air.

**While the mountain range has killed about 25 climbers this season, mountaineers reject calls for greater regulation.**

In the week that followed, eight other climbers perished, including two French teen-agers who fell, a 30-year-old Chilean climber who died of exposure on the French side, and three Italians who fell 2,600 feet on the Italian side of the range.

Then, in the predawn darkness of July 30, as a cold fog suddenly wrapped around the Bonatti Pillar, a precipitous outcropping of the north face of the 12,316-foot Aiguille des Drus, Alexei Bolgurev, a Russian climber, and his companion, Yelena Akulova, were caught by a rock fall.

She was killed outright. Mr. Boldurev spent the night and the next two days shivering in sub-freezing temperatures with her body, waiting for the rescuers, who eventually found a hole in the cloud for their helicopter and plucked him and his dead companion off the pinnacle.

"The only thing to do is to convince all these athletic people that they have to be better prepared," said Robin Joubert, one of the rescuers.

Dr. Marsigny moved here from Paris 10 years ago because he, too, is a mountain climber.

He said he disagreed with calls for safety regulations, like requiring people to hire guides at $220 a day instead of tackling the high mountain alone.

"Regulate that," he said, gesturing to the Bossons glacier, "and you kill the little freedom people have left in the world. What we have to do is make people more responsible, encourage them to pack a parka and wear a safety helmet, but it isn't easy."

# TRAVEL UPDATE

## BA Slashes Trans-Atlantic Fares

LONDON (Bloomberg) — British Airways said it was cutting prices by up to 44 percent this autumn on flights between the 21 U.S. cities it serves and such European destinations as London, Paris and Amsterdam.

The ticket sale, which began Friday, will continue through Aug. 21 for departures from Nov. 1 through Dec. 8.

All the flights stop at BA's hub in London. Travel must include a Saturday night stay and must be completed by Dec. 15.

## Convoy From Abroad Tours Iran

TEHRAN (AP) — A group of French, Finnish and Brazilian motorists is touring Iran in a 36-car convoy, the first such organized road tour since the 1979 Islamic revolution, an Iranian official said Sunday. They are to leave Tuesday after visiting Tabriz, Esfahan, Shiraz and Tehran.

The 64 tourists, who drove to Iran from France, were invited by the Iran Touring and Automobile Club, according to the club's director, Saeed Ohadi.

## Oil Slick Hits 3 Brazil Beaches

RIO DE JANEIRO (AFP) — An oil slick from a ship belonging to the Brazilian petroleum company Petrobras reached three beaches in the northern part of Rio, state environmental agency officials said over the weekend.

Oil that seeped from the Sao Miguel washed up Saturday on the Mangueira, Freguesia and Pitangueira beaches, a biologist, Alberto Andrade, said. Petrobras technicians were working to contain the spill.

## This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

**MONDAY:** Argentina, Colombia, Hong Kong, Macau, Sri Lanka, Venezuela

**TUESDAY:** Afghanistan.

**WEDNESDAY:** Hungary, Morocco.

*Sources: J.P. Morgan, Reuters, Bloomberg.*

## U.S. Fixes Low-Altitude Alarms

*Washington Post Service*

WASHINGTON — Errors have been found and corrected in two of the Federal Aviation Administration's 191 systems that warn airport controllers if a plane flies too low, the agency has reported.

The agency ordered testing and recertification of all the low-altitude warning systems after the National Transportation Safety Board found that the one in Guam was incorrectly programmed and would not have warned air traffic controllers that a Korean flight was dangerously low as it approached the airport. The plane crashed on a hillside, killing 226 people, on Aug. 6.

The repaired systems are in Fayetteville and Florence, North Carolina. The agency also noted that the system at the airport in Aspen/Pitkin, Colorado, was out of service because of false alarms in mountainous terrain.

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# WEATHER

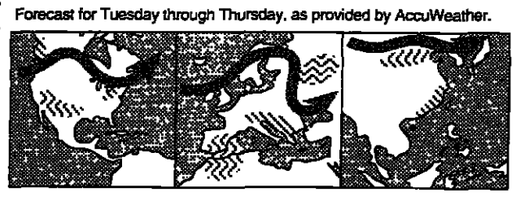
**Europe**

| | Today High C/F | Today Low W C/F | Tomorrow High C/F | Tomorrow Low W C/F |
|---|---|---|---|---|
| Algarve | 28/82 | 19/66 s | 28/82 | 19/66 s |
| Amsterdam | 26/79 | 16/61 pc | 24/75 | 15/59 pc |
| Ankara | 25/77 | 8/46 pc | 25/77 | 10/50 s |
| Athens | 31/88 | 21/70 pc | 29/84 | 21/70 pc |
| Barcelona | 26/79 | 18/64 c | 26/79 | 18/64 pc |
| Belgrade | 25/77 | 16/61 r | 28/82 | 15/59 sh |
| Berlin | 26/79 | 15/59 s | 23/73 | 14/57 pc |
| Brussels | 26/79 | 15/59 pc | 24/75 | 14/57 pc |
| Budapest | 26/79 | 14/57 pc | 27/80 | 14/57 r |
| Copenhagen | 25/77 | 16/61 pc | 23/73 | 14/57 pc |
| Costa Del Sol | 29/84 | 19/66 s | 29/84 | 21/70 s |
| Dublin | 21/70 | 16/61 pc | 24/75 | 16/61 pc |
| Edinburgh | 21/70 | 13/55 pc | 24/75 | 16/61 pc |
| Florence | 29/84 | 16/61 pc | 29/84 | 15/59 sh |
| Frankfurt | 26/79 | 14/57 s | 23/73 | 12/53 pc |
| Geneva | 29/84 | 13/55 pc | 27/80 | 13/55 pc |
| Helsinki | 20/68 | 12/53 pc | 23/73 | 13/55 s |
| Istanbul | 27/80 | 17/62 pc | 27/80 | 19/66 pc |
| Kiev | 20/68 | 11/52 pc | 20/68 | 11/52 pc |
| Las Palmas | 28/82 | 20/68 s | 25/77 | 19/66 s |
| Lisbon | 26/79 | 18/64 pc | 27/80 | 18/64 pc |
| London | 27/80 | 17/62 pc | 26/79 | 16/61 pc |
| Madrid | 32/89 | 17/62 pc | 34/93 | 18/64 pc |
| Mallorca | 29/84 | 18/64 pc | 28/82 | 18/64 c |
| Milan | 28/82 | 16/61 pc | 28/82 | 17/62 pc |
| Moscow | 15/59 | 8/46 sh | 19/66 | 12/53 pc |
| Munich | 23/73 | 12/53 c | 22/71 | 12/53 c |
| Nice | 28/82 | 22/71 pc | 27/80 | 19/66 c |
| Oslo | 27/80 | 17/62 pc | 24/75 | 16/61 pc |
| Paris | 28/82 | 15/59 pc | 25/77 | 14/57 pc |
| Prague | 23/73 | 11/52 c | 24/75 | 11/52 s |
| Reykjavik | 12/53 | 12/53 r | 17/62 | 12/53 r |
| Riga | 21/70 | 12/53 pc | 21/70 | 14/57 pc |
| Rome | 27/80 | 18/64 pc | 28/82 | 17/62 pc |
| St. Petersburg | 18/64 | 11/52 s | 20/68 | 15/59 s |
| Stockholm | 22/71 | 14/57 pc | 23/73 | 15/59 pc |
| Strasbourg | 29/84 | 16/61 pc | 27/80 | 15/59 pc |
| Tallinn | 20/68 | 12/53 pc | 21/70 | 15/59 s |
| Tbilisi | 28/82 | 17/62 sh | 27/80 | 17/62 sh |
| Venice | 27/80 | 17/62 pc | 26/79 | 17/62 sh |
| Vienna | 26/79 | 14/57 s | 24/75 | 14/57 pc |
| Warsaw | 24/75 | 11/52 pc | 22/71 | 11/52 pc |
| Zurich | 28/79 | 14/57 pc | 24/75 | 14/57 pc |

**Middle East**

| | | | | |
|---|---|---|---|---|
| Abu Dhabi | 42/107 | 27/80 s | 42/107 | 28/82 s |
| Beirut | 25/77 | 19/66 s | 27/80 | 21/70 pc |
| Cairo | 32/89 | 19/66 s | 32/89 | 19/66 pc |
| Damascus | 32/89 | 12/53 s | 33/86 | 14/57 s |
| Jerusalem | 28/79 | 13/55 s | 28/79 | 15/59 pc |
| Luxor | 38/100 | 16/61 s | 38/100 | 22/71 s |
| Riyadh | 40/104 | 22/71 s | 40/104 | 28/79 s |

Forecast for Tuesday through Thursday, as provided by AccuWeather.



Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

**North America**
Comfortable across New England and most of the Northeast Tuesday into Thursday, but the Southeast will remain steamy with scattered thunderstorms. Some heavier downpours are likely from Tennessee northward into Michigan by Thursday. Sunny, hot and dry in the Southwest.

**Europe**
Sunny and comfortably warm in Paris. Strasbourg and Berlin through Thursday. London will be pleasant with some sun and just the chance of a shower, but Scotland and Ireland will have showers. Steadier rain will soak areas from northern Greece and the Balkans to northern Italy.

**Asia**
Typhoon Winnie will most likely cross the China coast not far south of Shanghai early Tuesday with damaging wind, coastal flooding and heavy rain. Peking and northeastern China will be hot with some sunshine, while Korea and Japan will be warm and humid with scattered showers.

**North America**

| | Today High C/F | Today Low W C/F | Tomorrow High C/F | Tomorrow Low W C/F |
|---|---|---|---|---|
| Anchorage | 19/66 | 9/48 pc | 17/62 | 9/48 sn |
| Atlanta | 33/91 | 22/71 pc | 32/89 | 22/71 pc |
| Boston | 24/75 | 15/59 pc | 22/71 | 14/57 pc |
| Chicago | 23/73 | 13/55 s | 23/73 | 16/61 pc |
| Dallas | 34/93 | 23/73 pc | 34/93 | 23/73 pc |
| Denver | 31/88 | 14/57 pc | 31/88 | 13/55 pc |
| Detroit | 24/75 | 12/53 s | 23/73 | 14/57 pc |
| Honolulu | 31/88 | 23/73 s | 32/89 | 24/75 pc |
| Houston | 36/97 | 22/71 pc | 35/95 | 23/73 pc |
| Los Angeles | 27/80 | 14/57 s | 31/88 | 17/62 pc |
| Miami | 33/91 | 26/79 pc | 33/91 | 25/77 pc |
| Minneapolis | 20/68 | 13/55 pc | 23/73 | 14/57 c |
| Montreal | 21/70 | 9/48 s | 19/66 | 11/52 pc |
| Nassau | 32/89 | 29/73 pc | 33/91 | 26/79 pc |
| New York | 27/80 | 17/62 sh | 24/75 | 18/64 pc |
| Orlando | 34/93 | 23/73 t | 34/93 | 24/75 pc |
| Phoenix | 39/102 | 26/79 pc | 40/104 | 27/80 pc |
| San Fran. | 22/71 | 13/55 pc | 23/73 | 14/57 pc |
| Seattle | 27/80 | 13/55 s | 23/73 | 14/57 pc |
| Toronto | 22/71 | 7/44 s | 21/70 | 11/52 pc |
| Vancouver | 24/75 | 12/53 s | 22/71 | 13/55 pc |
| Washington | 31/88 | 19/66 t | 27/80 | 18/66 pc |

**Asia**

| | Today High C/F | Today Low W C/F | Tomorrow High C/F | Tomorrow Low W C/F |
|---|---|---|---|---|
| Almaty | 33/91 | 17/62 s | 35/95 | 22/71 s |
| Bali | 29/84 | 21/70 pc | 29/84 | 22/71 s |
| Bangkok | 32/89 | 24/75 c | 33/91 | 26/79 c |
| Beijing | 34/93 | 24/75 s | 31/88 | 23/73 pc |
| Bombay | 29/82 | 23/73 c | 28/84 | 24/75 c |
| Calcutta | 31/88 | 24/75 r | 31/88 | 24/75 c |
| Chiang Mai | 31/88 | 23/73 sh | 29/84 | 23/73 r |
| Colombo | 29/84 | 24/75 pc | 28/82 | 25/77 c |
| Hanoi | 31/88 | 24/75 c | 31/88 | 26/79 c |
| Ho Chi Minh | 31/88 | 25/77 r | 30/86 | 25/77 r |
| Hong Kong | 29/84 | 25/77 c | 31/88 | 26/79 pc |
| Islamabad | 41/106 | 27/80 s | 40/104 | 26/79 t |
| Jakarta | 29/84 | 21/70 pc | 31/88 | 23/73 pc |
| Karachi | 32/89 | 26/79 pc | 32/89 | 27/80 pc |
| K. Lumpur | 32/89 | 22/71 pc | 31/88 | 23/73 c |
| K. Kinabalu | 31/88 | 23/73 pc | 30/86 | 24/75 c |
| Manila | 30/86 | 25/77 t | 32/89 | 26/79 pc |
| New Delhi | 34/93 | 25/77 r | 35/95 | 26/79 sh |
| Phnom Penh | 28/84 | 25/77 r | 30/86 | 25/77 t |
| Phuket | 32/89 | 24/75 c | 33/91 | 26/79 c |
| Rangoon | 28/82 | 23/73 r | 28/82 | 24/75 c |
| Seoul | 28/82 | 23/73 r | 31/88 | 23/73 sh |
| Shanghai | 32/89 | 26/79 r | 32/89 | 26/79 r |
| Singapore | 30/86 | 21/70 pc | 31/88 | 23/73 pc |
| Taipei | 31/88 | 28/82 r | 34/93 | 27/80 r |
| Tokyo | 27/80 | 23/73 pc | 29/84 | 26/79 c |
| Vientiane | 27/80 | 22/71 r | 29/84 | 23/73 sh |

**Africa**

| | | | | |
|---|---|---|---|---|
| Algiers | 32/89 | 18/64 s | 31/88 | 19/66 pc |
| Cape Town | 18/81 | 9/48 c | 12/53 | 2/35 c |
| Casablanca | 24/75 | 17/62 s | 25/77 | 19/66 s |
| Harare | 24/75 | 12/53 s | 25/77 | 15/59 s |
| Lagos | 27/80 | 22/71 r | 27/80 | 23/73 c |
| Nairobi | 23/73 | 11/52 c | 24/75 | 12/53 pc |
| Tunis | 33/91 | 18/64 pc | 31/88 | 19/66 pc |

**Latin America**

| | | | | |
|---|---|---|---|---|
| Buenos Aires | 24/75 | 12/53 t | 22/71 | 9/48 pc |
| Caracas | 27/80 | 20/68 c | 28/82 | 20/68 pc |
| Lima | 19/66 | 16/61 pc | 20/68 | 17/62 pc |
| Mexico City | 23/73 | 12/53 pc | 25/73 | 13/55 pc |
| Rio de Janeiro | 24/75 | 21/70 s | 27/80 | 21/70 pc |
| Santiago | 9/48 | -1/31 r | 12/53 | -1/31 pc |

**Oceania**

| | | | | |
|---|---|---|---|---|
| Auckland | 15/59 | 10/50 c | 13/55 | 9/48 t |
| Sydney | 18/64 | 7/44 s | 16/61 | 7/44 pc |

Legends: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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## THE AMERICAS

# To Isle Under Threat, Volcano Is Not the Only Villain

By Larry Rohter
*New York Times Service*

SALEM, Montserrat — Two years of volcanic eruptions and the resulting social upheaval on this Caribbean island, one of the last of Britain's colonial outposts, have left people here feeling marooned, neglected and at odds with London and their local government.

[Citing an increased threat of a volcanic eruption, the authorities have expanded the off-limits zone on Montserrat, The Associated Press reported from Salem. Residents in the central towns of Salem, Flemmings, Hope and Olveston were ordered to evacuate to the safer north of the island by nightfall Saturday.]

With much of the southern half of the 39-square-mile (101-square kilometer) island covered by ash and rock, including Plymouth, the former capital, officials here face a stark choice. They can either evacuate the colony altogether or they can pour millions of dollars into developing the northern end, hoping that the Soufriere Hills volcano will go back to sleep and that the two-thirds of the population that has fled can be lured back.

Either way, they are certain to be criticized by a population that feels whipsawed by nature and politics. Anger at the way the government was addressing the disaster led to replacement of the chief minister in a vote last year, but his successor, Bertrand Osborne, now faces similar complaints of indecision and lack of leadership.

"We don't have a government here," Margaret Ryan, 81, said as she sold vegetables on a street corner here in the makeshift provisional capital. "Britain is sending us help, but we are not getting it because this government does not know what to do." She said she was likely to join her granddaughters in England later this month.

Many of the estimated 4,000 people remaining on Montserrat have relatives in Britain who are urging the diehards to join them. Recognizing the gravity of the situation, the British government has temporarily lifted limitations on entry into Britain applied to holders of colonial passports and is offering financial support to those evacuated there.

But the British authorities also insist that evacuees pay their own way to any destination, whether nearby Caribbean countries like Antigua and St. Kitts, or London. And most people on Montserrat cannot afford the air fare.

"I think they should be assisting us in getting off the island," said James Meade, 33, a carpenter and painter who said an uncle in London had told him a job awaited him if he could make his way there. "But this is a colonial relationship with a missing link, and they don't really want us over there."

Richard Aspin, a spokesman for the Montserrat government, said that when George Foulkes, Britain's junior minister for international development, visits the island this month, he may bring news of changes in the policy on "assisted passage."

But "the trouble is that the politicians are between the devil and the deep blue sea," he said. "If they ask people to go and say they are willing to pay passage, then you might lose more people than you want. In order for Britain to spend all this money here, there has to be a viable population."

[Those wanting to leave Montserrat will be offered an unspecified amount of money and transportation to neighboring islands, including Antigua and Guadeloupe, the government said over the weekend, The Associated Press reported. Details of the package will be released this week, Mr. Osborne said in a radio broadcast. Officials were working to determine "who goes first and when," he said.]

Over the last year, Britain has provided more than $60 million in aid to Montserrat for food, housing, road and pier construction and a hospital. That comes on top of large expenditures to rebuild Plymouth and other areas of the island after a 1989 hurricane destroyed many houses, stores and government buildings.

But there have been complaints that some of the money is being wasted.

"The U.K. has spent millions of dollars on new four-wheel-drive Jeeps for British consultants to drive around, but when it comes to money for housing, not one red cent," David Brandt, a lawyer and local legislator, said earlier this summer in an interview with Radio Montserrat.

Britain's new Labor government, elected in May, has acknowledged problems in the way the crisis was being handled, implied that the Conservative Party was responsible, and pledged to do better.

Montserrat's neighbors have made it clear that they do not want permanent responsibility for thousands of evacuees. There is widespread sympathy for the refugees, but with unemployment high and resources already strained on many islands, impatience with their presence has begun to emerge.

Meeting in Jamaica last month, leaders of the Caribbean Community, the 15-member regional group in which Montserrat is the only nonindependent member, promised to provide aid to their neighbor. But Prime Minister Lester Bird of Antigua and Barbuda, which has been providing shelter for an estimated 3,000 refugees, pointedly stated that aid must be furnished "primarily by the United Kingdom, whose responsibility Montserrat remains."

## POLITICAL NOTES

### A Buddhist Campaign Donor Denies Trying to Buy Influence

LOS ANGELES — The Buddhist leader who welcomed Vice President Al Gore to a controversial fundraiser at his Southern California temple last year, and then authorized about $50,000 in apparently illegal reimbursements of campaign donations to the Democratic Party, said he was not trying to influence U.S. policies with his generosity.

"Everything I do is to serve religion. I do not serve politics," Hsing Yun, venerable master, said in a written statement to Senate investigators.

In the four-page statement, Mr. Yun took responsibility for the temple's contributions to the Democratic National Committee, but said he thought he was "doing something good, adding: "It never occurred to me that this would cause so much trouble." He also said he was not clear about many details of the donation transactions.

The 70-year-old monk and founder of Hsi Lai Temple in Hacienda Heights minimized the intent of the donations as little more than charitable gifts to the American people. He called the political funds one "small way" to express his "gratitude" to the United States for its long support of Taiwan. *(LAT)*

### $50 Billion Tobacco Credit: 'An Orphan Nobody Claims'

WASHINGTON — As Congress raced to pass a massive tax cut bill late last month, Senator Trent Lott, Senate majority leader, and Newt Gingrich, House speaker, insisted on a provision that would give tobacco companies a $50 billion credit against the sum they had pledged to settle anti-tobacco litigation, according to congressional staffers and administration officials.

The state attorneys general who negotiated the historic settlement with the tobacco industry have since warned the companies in a letter that the credit provision, which was passed without debate, without an identified sponsor and before many industry critics realized what was happening, could cause them to scuttle the deal.

"The tobacco industry would have us believe this credit language appeared like Our Lady of Lourdes," said James Tierney, a former Maine attorney general and a consultant to the attorneys general.

Mr. Lott and Mr. Gingrich do not acknowledge having sponsored the credit provision, which was attached to the tax cut bill approved on July 31. But both have said they supported the measure.

Tobacco industry critics said the unusual handling of the credit provision demonstrates anew the tobacco firms' clout on Capitol Hill.

"This is a $50 billion orphan nobody claims," said Senator Richard Durbin, Democrat from Illinois, an industry critic. "But it's there, and it illustrates how this industry operates in the shadows." *(WP)*

# *Discovery May Unlock A Secret to Longevity*

## Worm With Longer-Life Gene Offers Key

By Nicholas Wade
*New York Times Service*

NEW YORK — A barely visible worm that usually lives only two weeks may hold an important secret to longevity. Biologists at Massachusetts General Hospital have found that a gene that can make the worm live longer is closely related to a human gene involved in regulating energy metabolism.

The discovery links two previously unrelated areas of research, those on life span in worms and sugar regulation in humans, and may explain the well-known finding that rats and mice kept on near-starvation diets live a third longer than usual. The biologists say it could also help pinpoint the human genes that, in defective form, underlie a major form of diabetes.

"I think it is a gorgeous piece of science," said Caleb Finch, a leading longevity researcher at the University of Southern California.

He said it pointed to the existence of an ancient "tool kit of life-history regulation," laid down early in evolution before worms and humans developed on separate paths. "The bottom line is that there may be fundamental mechanisms that prevail among all multicellular organisms and that may be very informative in managing human aging."

The worm in question is a standard laboratory organism whose genetic apparatus has repeatedly been shown to hold lessons for humans, despite the evolutionary distance between the two species.

In nature, the worms — a species of round worm known as C. elegans and no relation to the earthworm — feed on clumps of bacteria in the soil.

Their major career decision, made in infancy, is whether to grow up fast and reproduce while bacterial snacks are still plentiful, or to enter a kind of slow-motion hibernation state and wait until there are more bacteria or fewer worms around. They then resume the normal life cycle.

The worm's choice between living in the fast or slow lane is of considerable interest to researchers on aging. The slow-lane state enables worms to live up to eight times as long. Though many genes are involved in making the switch, one in particular, called daf-2, has come into prominence because of the recent discovery that worms with a defective form of daf-2 can live three times as long as normal without lapsing into the torpor of the slow-lane state.

The finding, made by Gary Ruvkun and colleagues at Massachusetts General Hospital and reported in Friday's issue of the journal Science, addresses the normal role of this powerful gene.

Dr. Ruvkun's team worked out the sequence of chemical letters in the DNA of the worm's daf-2 gene, which enabled them to search DNA databanks for genes of similar sequence. They scored a hit on the human gene that makes the insulin receptor. The worm gene is 35 percent identical to its human counterpart.

The insulin receptor is a protein embedded in the outer wall of human cells. When the receptor is hit by the hormone insulin, it signals the cell to take up glucose from the bloodstream.

Glucose is the body's major fuel, and insulin, which regulates the rate at which it is consumed, is a key component in controlling the body's energy metabolism.

Dr. Ruvkun's finding raises the plausible suggestion that when C. elegans switches into slow-lane living, it banks down its insulin production and energy metabolism.

Dr. Ruvkun said the finding helped explain why mice and rats fed low-calorie diets live much longer.

With glucose metabolism down, and cells generating fewer of the metabolic by-products that damage tissues, the rodents live longer, just as the slow-lane worms do.

Richard Weindruch, a longevity expert at the University of Wisconsin at Madison, called the worm finding "a very interesting report" that provides "an intriguing parallel to work that has been reported in rodents."

Mice on a restricted-calorie diet, defined as taking 40 percent fewer calories than normal but with all essential nutrients, produce less insulin and metabolize less.

Dr. Ruvkun said he believed that his finding would also help speed the understanding of noninsulin-dependent diabetes, the major form of the disease. Patients produce insulin but their cells do not respond to it correctly, presumably because of defects in one or more of the genes whose products help translate the insulin message into action.

Scientists are scanning human populations in search of diabetes-related genes, but genetic searches can be made far faster in C. elegans. Not only does the worm possess many of the same basic genes as humans, but its entire DNA is close to being fully sequenced.

"Using the worm we are going to be able to pull out these genes very quickly," Dr. Ruvkun said.

There is no evidence so far to suggest that humans can extend life span by imitating mice on a very low-calorie diet, according to Dr. Finch, the longevity expert.

But he said he was confident that human life span could be increased when the genes that affect it were better understood.

"As we learn more about the specific behavior of genes that predispose to health problems, we will be able to modify many aspects of aging," Dr. Finch said.



Carlos Villalon/Agence France-Presse

**ANGRY HAITIANS — A group of Haitians heading for the 70th Precinct police station in Brooklyn to demonstrate against alleged police brutality. Abner Louima is recovering from serious injuries he says he suffered in a beating in the station house.**

## AMERICAN TOPICS

### Counting the Ways to Celebrate With Interactive Elvismania

How crazy is Elvismania, with the 20th anniversary of the King's death just behind us and Elvis Week still under way? Well, if the 20-hour nonstop televised tributes to Elvis Presley this weekend weren't enough, faithful fans should not despair.

They can dress up in Elvis shirts, scarves, watches, glasses and ties while playing the game of Elvisopoly (if you land on the pink Cadillac, it's yours). Or buy Elvis Christmas tree ornaments, or the interactive CD-Rom tour of his home, Graceland, which allows you to "play pool" on his table. Or join the hordes (30,000 this weekend) and tour Graceland itself. Or go to the Western Steakhouse & Lounge in Memphis and sit in his booth while eating his favorite: a grilled peanut butter and banana sandwich.

Some hard-boiled fans in Memphis this weekend — Presley died Aug. 16, 1977, of heart disease aggravated by prescription drug abuse — were offended by others they thought had failed to show proper respect. "The media pick out all these idiots," grumbled Pat Armstrong, 54, part of a group of 950 British fans visiting Memphis. "They pick them out because they've got those stupid jumpsuits and ridiculous hairdos."

In his lifetime, Presley sold a half-billion records. Still, the whole Memphis show was beyond the ken of some onlookers. One fan had this comment: "If you are an Elvis fan, you understand. If you're not, it can't be explained."

### Short Takes

**Under banners declaring that "free sex is cheap sex,"** 500 self-proclaimed virgins converged Friday in front of the White House to celebrate abstinence. It was the last stop in a 25-city trip organized by the Pure Love Alliance, a group of male and female students and church groups promoting abstinence from sex before marriage and fidelity within marriage. The tour, which began June 30, attracted adults and adolescents from across the country, as well as some from overseas.

**One can just imagine the letter to an advice columnist:**

Dear Abby: I have an unusual problem. My 7-foot boa constrictor slithered out of the house not long ago, and headed for a neighbor's home here in Southern California, apparently drawn by the scent of a neighbor lady's chihuahua, Babette. And yes, my snake ate her dog.

Babette's owner, Flossie Torgerson, who is 74, was pretty upset, as you can imagine, Abby. I called, and, though I didn't have the heart to leave my name, told her how sorry I was. And I told her I wanted my baby back.

Well, she went to pieces. As things stand, my baby is still at the Animal Control Center. They say owning a boa without a permit is a misdemeanor (possession of an unlicensed boa?). I'm applying for a permit.

But the real question is, how do I make it up to Mrs. Torgerson? I offered to buy her another dog, but that didn't seem to do the trick. What, Abby, is the etiquette here?

Signed, Red-Faced in West Hills.

Brian Knowlton

## Trial Casts Shadow on Illinois Governor

*The Associated Press*

SPRINGFIELD, Illinois — A federal jury on Saturday convicted one of Governor Jim Edgar's biggest campaign donors, a computer company executive, of using bribes including cash-stuffed envelopes and lobster dinners to arrange a state contract that cheated taxpayers out of more than $7 million.

Mr. Edgar was not accused of wrongdoing, but the eight-week trial cast a shadow on his administration as he considered whether to seek re-election in 1998, to run for the U.S. Senate or retire from politics.

## Away From Politics

• **Hudson Foods, the Arkansas-based meat processing company** that has come under new federal investigation for its distribution of about 5 million potentially contaminated hamburger patties, was responsible in 1995 for the nation's largest ever meat recall. Just last month, Hudson was fined more than $300,000 by the Occupational Safety and Health Administration for repeated violations of worker safety rules. *(WP)*

• **Nearing the end of their journey, astronauts aboard the space shuttle** Discovery maneuvered a boxy satellite attached to the end of the shuttle's robot arm to practice space-station building techniques. The 7,700-pound satellite was the same one that flew free of the shuttle for nine days during the mission to study Earth's ozone layer. *(AP)*

• **In a philanthropic gesture certain to elicit outrage** as well as gratitude, the financier George Soros is spending $1 million on sterile needles to be handed out to heroin and cocaine addicts who risk AIDS and other diseases by sharing needles. *(NYT)*

• **A military jury has convicted an army drill sergeant** of inappropriate behavior and obstructing justice, the fifth conviction in a sexual-misconduct inquiry at Aberdeen Proving Ground, Maryland. But Staff Sergeant Herman Gunter was also acquitted of several charges, including adultery, cruelty and indecent assault involving two female trainees under his command in 1996. *(WP)*

• **The Justice Department** said it would not bring more criminal charges against senior FBI officials in the 1992 siege at Ruby Ridge, Idaho, where a government sniper killed the wife of a white separatist as she held their baby daughter inside a mountain cabin. The case had led to a criminal cover-up inside the FBI. *(NYT)*

• **From 1993 through 1996, the homicide rate** in the United States dropped by 20 percent. But on network evening news programs, a survey has found, the picture was different, with coverage of murders — of celebrities, of tourists, of ordinary Americans — soaring by an average of 721 percent during the same period, compared with the three preceding years. *(WP)*

• **In another blow to a smuggling network** built on the exploitation of deaf Mexicans, federal agents in Dallas arrested a Mexican immigrant couple and found 10 people who had been forced to peddle trinkets. The arrests brought to 24 the number of suspects seized in the United States and Mexico. The network allegedly operated from New York. *(WP)*


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## ASIA/PACIFIC

# In Malaysia, Pressure Builds Over Enforcement of Islamic Laws

By Michael Richardson
*International Herald Tribune*

SHAH ALAM, Malaysia — When Noni Mohamad entered the Miss Malaysia Petite beauty contest, she did not expect to become the focus of a bitter struggle between moderate and conservative Muslims in a country that suddenly seems to be veering away from religious toleration toward extremism.

Like many other young Malaysians, Miss Noni, a 19-year old freelance model, says she was unaware of a law banning Muslim women from taking part in beauty pageants.

The law was enacted just over a year ago by the state of Selangor, an urban and industrial center adjacent to Kuala Lumpur.

But the arrest of Miss Noni and two other Malay Muslim women at the end of the contest, followed by their conviction last month for indecent dressing, for taking part in the pageant wearing leotard swimsuits, was the first time Selangor religious authorities had enforced the law.

The Sharia High Court in Shah Alam fined the three women 400 ringgit ($145) each and said they would be jailed for two months if they did not pay the fine.

Under the law, they could have been fined 1,000 ringgit or imprisoned for six months, or both, for the offense.

Now, Malaysian religious, youth and women's groups and the media are embroiled in a public debate about the rights and wrongs of the affair — and the wider issue of how Muslims should be expected to behave in a multiethnic society that has large numbers of non-Muslims not subject to Islamic laws. The debate also reflects concern among moderate Muslims and non-Muslims alike at what they see as a trend toward compulsory Islamization in Malaysia.

Almost all Malays, who comprise about 55 percent of the population of 20 million, are Muslims and subject to both Islamic and Western-style secular laws. The Islamic law deals with marriage, divorce and many aspects of morals.

Minority groups, chiefly non-Muslim Chinese and Indians, are subject only to the secular laws.

The trend appears to be supported by some influential figures in the federal government as well as some of the states, which have the power to legislate on religious matters under the country's constitution.

For example, a committee chaired by the deputy prime minister, Anwar Ibrahim, recently decided that all higher education students of whatever ethnic or religious background will have to take a course in Islamic civilization.

At about the same time as the Miss Malaysia Petite row erupted, the chief minister of Selangor state, Abu Hassan Omar, said that a new law would be implemented in 1997 to force Muslims to pay their annual *zakat*, a religious tax, or face fines or jail for up to three years.

Several other states have indicated that they may follow Selangor. Until now payment of zakat has been voluntary. It is supposed to represent 2.5 percent of personal income from all sources, and be paid into a special fund for distribution to the needy.

Some advocacy groups support the imposition of a conservative dress code for Muslim women, including a ban on their participation in beauty contests, on the grounds that "indecent" dressing exploits and demeans women.

But where, critics ask, would that leave female athletes, swimmers and gymnasts training to compete in the 1998 Commonwealth Games in Malaysia?

Feminists criticized some religious officials for applying different standards to men and women.

Marina Mahathir, a newspaper columnist and daughter of Prime Minister Mahathir bin Mohamad, wrote that some officials were uneducated "charlatans" who wanted women to be "at home having babies endlessly and covered head to toe."

"Compared with incest, child abuse, wife-battering, drug abuse and corruption," she said, "whether you're dressed right or wrong according to someone's arbitrary values should rank pretty low in the scale of the concerns of our times."

The federal government — concerned that the spread of Muslim extremism will deter investment just when it is most needed to revive confidence in an economy hit by recent currency speculation — said this month that it had successfully persuaded the states temporarily to suspend the enforcement of religious rulings on the behavior of Muslims.

Meantime, a committee under the prime minister's department will make recommendations to the Malay rulers, who have authority over religious matters in their states, on a set of uniform Islamic Sharia laws for the whole country.

But analysts said that it was far from certain a uniform code would be accepted by the states because some, including Kelantan in northeastern corner of the Malaysian Peninsula, are much stricter in implementing Muslim religious laws than others.

The prime minister said that the arrest of the three women for taking part in the beauty contest was extreme. In a recent interview with a local newspaper, he said Islam was a tolerant religion that should be practiced the same way by all its followers.

"The Koran never said that Islam must be different in each state," he said. "But there are people who want to show their power. This is the problem."

As a result of a resurgence of Islamic values in recent years in Malaysia, many Malay women, especially those working in government offices, wear full-length dresses and head scarves.

But if Selangor's law on Islamic dress were to be generally adopted, action could be taken against Muslim women who wore body-hugging dresses, bikinis, leotards, low-cut blouses or skirts that exposed the leg.

Muslim men also could be prosecuted if they appeared in public showing the area of the body between the knees and the navel.

# Cambodian Coup Upset Ending of the Civil War

## *Peace Was at Hand When Hun Sen Struck*

By Nate Thayer
*Washington Post Service*

ANLONG VENG, Cambodia — After six weeks of secret meetings and a violent power struggle here in the jungles of northern Cambodia, a watershed moment in this country's tortured history was at hand.

The last holdouts of the Khmer Rouge, the radical Communist guerrillas who had ruled Cambodia in the late 1970s, were giving up. They had deposed their notorious leader, Pol Pot, effectively abandoned their war against Cambodia's government and agreed to a formal "surrender" ceremony in which their forces would join the Cambodian Army.

As a result of negotiations, which Mr. Pol Pot violently opposed but ultimately failed to prevent, it seemed that the end of the 35-year-old guerrilla movement was near, and with it the civil war that had gripped the country for most of that time. Plans were made to announce the deal in a ceremony on July 6.

The ceremony never took place.

On that day, Second Prime Minister Hun Sen declared himself in full control of the government and announced the overthrow of his rival, Prince Norodom Ranariddh, the first prime minister. Apparently fearing that the peace agreement was a ploy to weaken him politically and militarily, Mr. Hun Sen launched a coup July 5 to scuttle it.

Now, Mr. Hun Sen's political opponents are waging armed resistance to his authoritarian rule, and there are signs that the Khmer Rouge remnants — minus Mr. Pol Pot — are reuniting to help them. In the tragic logic of Cambodian politics, an initiative that seemed only a day from bringing long-awaited peace has instead brought more war.

The story of the ill-fated peace initiative, played out in this Khmer Rouge jungle stronghold, emerged from documents and interviews with the government and Khmer Rouge negotiators in the talks. The Khmer Rouge officials were interviewed at the time of an extraordinary July 25 show trial in which an ailing Mr. Pol Pot was sentenced to "life imprisonment" by a tribunal made up of younger guerrilla leaders.

Government documents obtained by The Washington Post, signed by both the government and Khmer Rouge negotiators, show that on July 4 the guerrillas finally had agreed to integrate their troops into the army and recognize the government.

The agreement, principally between Prince Ranariddh and the Khmer Rouge's nominal leader, Khieu Samphan, was the culmination of a score of secret meetings.

The talks proceeded against a backdrop of bitter divisions within both the government and the Khmer Rouge. Prince Ranariddh and Mr. Hun Sen, steadfast opponents, coexisted uneasily as co-prime ministers. The Khmer Rouge, meanwhile, had split a year ago when about half its fighters, followers of former foreign minister, Ieng Sary, in the western gem-mining center of Pailin, agreed to join the government army in a deal brokered by Mr. Hun Sen.

Mr. Pol Pot, in firm control of the rest of the organization in this northern redoubt, bitterly opposed peace negotiations. But many of his top commanders, seeing continued warfare as futile, wanted to strike a deal like the one agreed to in Pailin.

Mr. Pol Pot's notoriety made him a major obstacle to such an accord. Between April 1975 and January 1979, when he ruled as head of a Khmer Rouge government, he orchestrated a campaign of terror and mass murder that left more than 1 million Cambodians dead and the country in ruins.

Formal negotiations with the Khmer Rouge were attempted last February, but Pol Pot loyalists ambushed a government team of 15 emissaries when its helicopter landed in Khmer Rouge territory. Ten of the government officials were executed and the rest were taken prisoner.

Negotiations resumed on May 16, when a government military delegation met with Khmer Rouge officials led by Tep Kunnal, a senior political figure. A government negotiator at the meeting quoted Mr. Tep Kunnal as saying "he was in favor of national reconciliation and wanted a permanent cease-fire" in order "to study whether we could work together to allow their territory and army to join the government."

Mr. Tep Kunnal, a French-educated engineer and longtime Khmer Rouge diplomat and political strategist, has emerged as a top new leader. He served more than a decade in New York in the UN mission of the former Khmer Rouge government-in-exile.

A series of talks continued through the end of May and into early June, with government negotiators repeatedly flying to Anlong Veng.

"At first," a government negotiator said, "Pol Pot said he was in favor of negotiations. But our side insisted strongly that Pol Pot must be completely out. So we discussed secretly with the new Khmer Rouge military leaders. So that was why Pol Pot was getting mad. We asked to exclude him."

The guerrillas agreed in principle to integrate their army into the government armed forces, recognize the Cambodian Constitution and formally disband their "provisional government," Khmer Rouge and government sources said.

On June 1, Prince Ranariddh met Mr. Khieu Samphan, the nominal leader, secretly near the Thai border, according to Prince Ranariddh. On June 5, the two sides met at the historic temples at Preah Vihear, where the guerrillas were preparing a site to announce the agreement.

The next meeting was scheduled on June 10, "but there was a big problem," a government negotiator said. The Khmer Rouge defense minister, Son Sen, and 12 members of his family and inner circle had been found murdered.

It was the beginning of Mr. Pol Pot's attempt to scuttle the political negotiations through a violent purge.

On June 12, the top government military commander, General Nhek Bun Chhay, and one other government colonel arrived by helicopter in Anlong Veng to find a Khmer Rouge at war with itself. Most of the Khmer Rouge negotiating team had been taken hostage by Mr. Pol Pot and his loyalists. Heavy fighting, involving mortars, artillery and small arms, could be heard just a couple of miles away, as the Khmer Rouge factions battled for control.

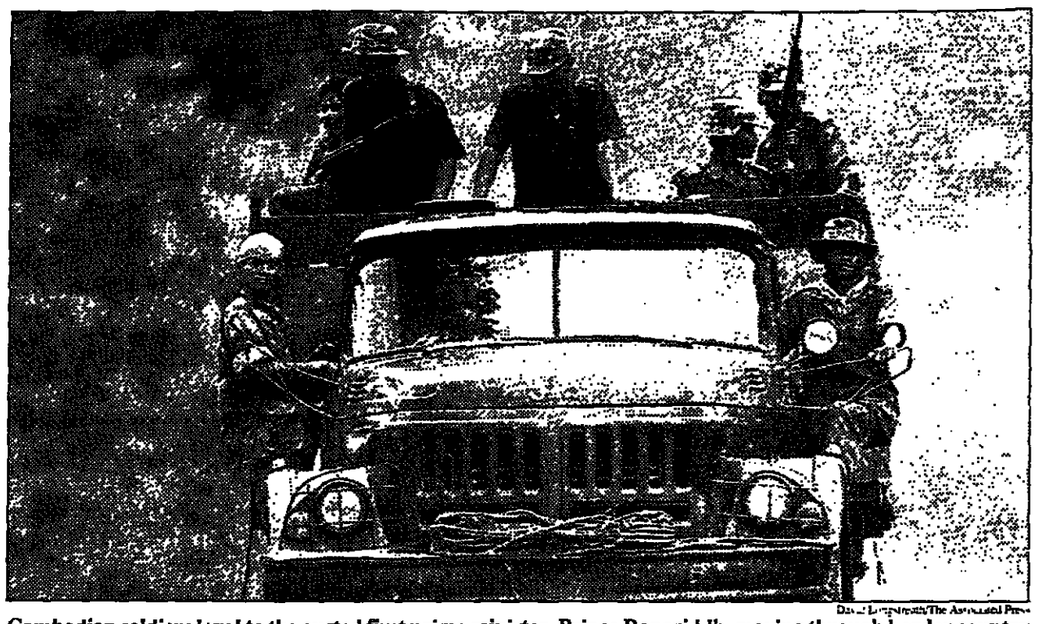
"After that we immediately took the helicopter to the nearby government military base at Samrong to bring ammunition — mainly AK-47 ammunition but also heavier ammunition," including helicopters loaded with mortars, rocket-propelled grenades and other heavy munitions, the government negotiator said.

When they returned five days later, they were told that "the situation had calmed down" and that some of the hostages had been rescued.

As the days went on, Mr. Pol Pot's remaining loyalists, who had numbered only about 300, began to abandon him one by one. He had fled northeast toward the Thai border, and by June 19 was surrounded.

From that point, the peace negotiations moved more quickly. By July 3 both sides had hammered out all details of the agreements, "and we flew back to Phnom Penh to report to the prime minister that everything was finished," one of the government negotiators said.

A statement that was to be announced on the radio and read by Mr. Khieu Samphan at a press conference on July 6 was signed by both sides, including Prince Ranariddh on behalf of the government. But it never happened.



Daniel Lopez-Reyna/The Associated Press

**Cambodian soldiers loyal to the ousted first prime minister, Prince Ranariddh, moving through border country as they continue to oppose forces of the government now controlled by Hun Sen, second prime minister.**

## BRIEFLY

### *Burma Opponents Get 10 Years Each*

RANGOON — Three Burmese democracy supporters, all of them related to the main opposition leader, Daw Aung San Suu Kyi, were sentenced to 10 years each in prison, the government said Sunday.

Cho Aung Than, a cousin and close aide of Daw Aung San Suu Kyi, his sister, Nge Ma Ma Than, and her husband, Myint Swe, were convicted and sentenced under national security laws in Insein court in Rangoon, the government said.

The three were detained in June and questioned in relation to smuggling videotapes of Daw Aung San Suu Kyi's speeches abroad. They have also been accused of being conduits for foreign funds the government said were received by Daw Aung San Suu Kyi's National League for Democracy opposition party earlier this year. *(Reuters)*

### *Hun Sen's Troops Bombard Rebels*

CHUNG CHOM PASS, Thailand — Forces loyal to Second Prime Minister Hun Sen pounded approaches to the border town of O'Smach with mortar and artillery fire Sunday as they closed in on the last major stronghold of forces loyal to the ousted first prime minister, Prince Norodom Ranariddh.

At least 22 mortar rounds and nine artillery shells landed in the town's outskirts and the Thai Army had been moved to full alert in case the fighting or shelling spilled across the border, a Thai commander said. In Phnom Penh, General Meas Sophea, who heads fighting operations, said troops had advanced to within 2 to 3 kilometers of O'Smach.

In Manila, Prince Ranariddh asked Sunday for "understanding" from the Philippines, Foreign Undersecretary Rodolfo Severino said. The prince was on the fifth leg of a tour of countries in the Association of South East Asian Nations. *(Reuters)*

### *Pyongyang Assails Kim's Aid Offer*

SEOUL — North Korea's state-run media launched a barrage of vitriol Sunday against an offer by President Kim Young Sam of South Korea to help Pyongyang out of its economic difficulties.

"His talk about 'assistance' to the North is ridiculous," the ruling party newspaper Rodong Sinmun said of an address to the nation by Mr. Kim on Saturday in which he said the South would continue to provide food aid. The newspaper called the speech the "prattle" of a separatist that made "a mockery of the nation aspiring after reunification." *(AFP)*

### *Nepalese Police Arrest Protesters*

KATHMANDU, Nepal — Activists attacked cars and police detained supporters of four leftist parties Sunday during a general strike against a planned anti-terrorism law in the Nepali capital, the police and witnesses said.

The strike caused merchants to close shops and cleared roads of taxi cabs, public buses and three-wheel motor rickshaws in Kathmandu and the nearby towns of Patan and Bhaktapur. Police said protesters smashed the windows of three vehicles. About 30 leftist supporters were detained. *(Reuters)*

### *For the Record*

**Krishna Kant, a human rights advocate,** was elected India's vice president on Saturday. His victory was assured after the governing United Front coalition and the opposition Congress (I) Party sponsored his candidacy to the largely ceremonial post. *(AP)*

**The typhoon designated Winnie** lashed Okinawa and other southern Japanese islands Sunday, paralyzing air services and causing several injuries. *(AFP)*

# *China's One-Child Policy Is Fading*

## Economic Growth Lets Townspeople Pay Fine and Add to Family

By Seth Faison
*New York Times Service*

DAZU, China — At the end of a summer's day, as a dusky light tinged the old wooden stools scattered around his open doorway, Li Feng gazed affectionately at his young daughter and son playing outside.

"I wanted at least two children," said Mr. Li, a soft-faced man whose work at a thriving cement-maker down the road now fills his day and his pocket. "For eight years, we only had one. Now, if you can afford the fine, you can have an extra child."

Like untold millions of other parents, Mr. Li and his wife, Chu Lanping, are bending the rules of population control in China by having a second child. As townspeople, they were supposed to be content with one, but a little determination and a little cash now win permission from officials for one more.

In many parts of China, the one-child policy is melting away. The country's strict population control program, begun in the late 1970s and by no means gone, is becoming significantly looser in many places because — as with so much in China today — relentless economic growth is eroding the old system of control over ordinary people's lives, creating loopholes large and small.

Rather than spurring an explosive increase in the country's overall population, however, economic growth seems also to be reducing the number of children born to millions of other families as they break out of the poverty that has traditionally encouraged childbearing.

For every family like the Lis that has two children instead of one, there are other families in the countryside choosing to have two children instead of, say, five, and urban couples who are having none at all.

China's total population of 1.22 billion, the largest in the world, appears to be growing steadily each year at just over 1 percent, or about 13 million, and officials express confidence that they will stay well within their target of 1.3 billion by 2000. At the same time, demographers say that an unknown number of births go uncounted, leaving official statistics slightly unreliable.

In the past, local family-planning goals were sometimes enforced brutally. Forced abortions and sterilizations, while not the norm, were frequently reported in the early 1980s, especially in small villages where a local official wanted to show who was in charge.

It is that image of China that has provoked strong objection from religious and political groups in the United States, where thousands of Chinese apply for political asylum each year by asserting that being limited to one child is a form of political persecution.

Yet the worst excesses of local officials seem to have diminished in recent years, and millions of Chinese who want multiple children are now having them.

In a country where baby girls have traditionally been neglected or abandoned in favor of boys, reports that the one-child policy spurred the abandonment or even murder of baby girls caused great concern. Yet the current ratio — 106.6 males for every 100 females in China — is still lower than in 1930, when the ration was 108.5 males, or in 1953, when it was 107.6.

Worried that modern technology would allow couples to learn the sex of a fetus and abort females at a greater rate than males, Chinese officials banned the practice, though it may occur in some cases anyway.

The one-child policy is still strictly enforced in the nation's largest cities, such as Shanghai and Beijing, where penalties for having a second child remain onerous, like loss of a job and a fine equivalent to three years' salary for each parent.

It is in the medium-sized cities and towns like Dazu, tucked deep in China's interior in Sichuan Province, where things are changing.

Not long ago, local Communist Party officials wielded wide power over people's private lives, telling them when to marry, procreate or use contraception. Although local officials were judged in part by how well they adhered to family-planning goals, residents say the way they instilled fear and respect was at least as much about exerting personal authority as about enforcing national policies.

Nowadays, people like Mr. Li, who earns the equivalent of $100 a month at a private company instead of the $25 he used to make at a state-run factory, can deflect and ignore officials more easily because they no longer control his job or his grain rations.

At the same time, as state subsidies to local governments dwindle, many local officials have turned to money-making and found it a better route to influence than the old way of cowing residents with threats and pressure. As a result, in countless towns and provinces, officials now accept a flat fee in exchange for permission to bear an extra child.

In the case of Mr. Li, a second child brought a fine of $1,200, a large but affordable sum because he borrowed from family members. Mr. Li, who said part of his desire for a second child was a wish for a son, said he faced none of the other pressure that used to accompany efforts to discourage extra childbearing.

"They didn't try to talk us out of it," said Mr. Li, 32, referring to local family-planning officials. "They just wanted to be sure we would pay the fine."

In other places, officials have aggressively encouraged residents to have a second or third child so fines could be imposed. The money collected belongs to the local government and so may sometimes be spent by the same officials who levy the fines.

Officials at China's State Family-Planning Commission insist that the broader policy of strongly encouraging population control has not changed and that "money for children" cases are discouraged. But they say the government's approach to enforcement has shifted over the last five years.

"You can't simply threaten people any more; you have to try to persuade them," said Wang Guoqiang, director of the Policy Legislation Department at the State Family-Planning Commission in Beijing. "Relations between the local government and the people are changing greatly, and this is precisely why we are changing our methods."



Greg Baker/The Associated Press

**THIS TOO SHALL PASS — A father and his son taking shelter under a convenient tree in Beijing as they waited for a rain shower to end.**

# 2 Soaps in 1 in Latest Royal Drama

By Youssef M. Ibrahim
*New York Times Service*

LONDON — The peccadilloes of Britain's royal family are not new, and neither are the kingdom's racial hang-ups about the inhabitants of the lands it ruled before downsizing to a service economy. But now those two defining national characteristics have joined to deliver humor and soap-opera-quality entertainment in the love affair of Di and Dodi.

Di, of course, is 36-year-old Princess Diana, mother of the future king of Britain (if the monarchy lasts that long) and former wife of the next king (if his mother ever lets him); she has recently been called a mindless "fruit" who thinks nothing of flying 160 miles by helicopter to consult her psychic.

Dodi is 41-year-old Emad al Fayed, an Egyptian-born graduate of the Royal Military Academy at Sandhurst, known in tabloids as "the playboy" from the "House of Harrods."

Various reports have him traveling with a masseuse and bodyguards and offering girlfriends jewelry by Cartier. His father, Mohamed al Fayed, is richer than the queen and is the owner of Harrods, the famous department store in the Knightsbridge section of London.

The background music to this drama is the clucking and sniping that attend Britain's enduring class divisions and the nascent conflict between ascending immigrants and native Britons.

In the Daily Mail, Glenys Roberts, a regular contributor, fumed that Diana may soon discover that she is "trading in one prison, the lifestyle of the royal family," for a clearly worse alternative, "an Arab one."

Dame Barbara Cartland, author of romantic novels and the princess's stepgrandmother, told The Sun: "My only concern is that this Dodi is a foreigner."

On the other side of the divide, Britain's vast Asian and Middle Eastern communities view the match between Christian Di and Muslim Dodi with apprehension, precisely because it might draw such hostile attention. But the worry is mitigated by "an inflated sense of pride," as Fuad Nahdi, a contributor to The Independent, put it. "You might hate and abuse us on the high streets and in alleyways," he wrote, "but our boys are cruising off with your biggest catches on the high seas."

The senior Fayed has been a major force in the British economy since he purchased Harrods 12 years ago. His other properties include the Ritz Hotel of Paris, Punch magazine, a radio station and the Fulham soccer club. Yet, for reasons unexplained, he has been denied British citizenship, even though he has lived here since 1963.

To Mr. al Fayed, that is a sign of pure bigotry. In retaliation, he has disclosed the names of Conservative officials who, while keeping him at arm's length, nevertheless accepted his hospitality at the Ritz in Paris as well as so-called political contributions in brown paper bags that they never declared. His revelations contributed to the huge defeat ending 18 years of Tory rule in May.

Meanwhile, polls show support for the monarchy dropping below 50 percent for the first time ever.

And now the Dodi and Di affair. Dodi's family has been smug about it; his maternal uncle, the Saudi tycoon Adnan Khashoggi, told a Saudi newspaper the other day, "We welcome Diana into our family."

Above the fray stands the Harrods boss. Mohamed al Fayed has kept silent, though he has appeared in fleeting photo opportunities, giving Diana a fatherly hug on his $24 million yacht, or flashing victory signs at a soccer match at his club.



Ian Mitchell/Reuters

**Prince Charles, with Prince Harry, is on the sidelines in latest royal drama.**

## BRIEFLY

### Pollution Alerts Spark Debate

PARIS — Officials issued new pollution alerts for Paris and Strasbourg on Sunday, only days after an earlier wave of heat, sunlight and car exhaust sparked off a debate about France's environmental policies.

Public health officials said the two cities registered pollution levels at "level two," the midpoint on the official scale and one step below the "level three" alert requiring curbs on private cars and free public transport in the large cities.

Paris officials said the alert would probably last through Monday, when hundreds of thousands of young Roman Catholics are expected to converge on the capital for the World Youth Days, including a visit by Pope John Paul II later in the week.

The pollution alert triggered a debate about environmental policy between the new Socialist government and the former conservative administration. *(Reuters)*

### Austrian Memorial Vandalized

KLAGENFURT, Austria — Vandals destroyed memorial plaques and spray-painted slogans Sunday on a controversial war memorial in southern Austria known as a gathering point for rightists.

Police said a two-page letter was found at the scene in Ulrichsberg, near Klagenfurt in southern Carinthia province, which claimed responsibility on behalf of an organization calling itself Kommando Z.A.L.A. The organization was previously unknown.

The memorial, built in 1959, has become a center of controversy in recent years because of a war veterans' meeting that is held in October which attracts rightists.

In 1995, the rightist politician Joerg Haider, who is from Carinthia, appeared at the October gathering. At a smaller, closed meeting, Mr. Haider, leader of Austria's Freedom Party, praised members of Hitler's most infamous military unit, the Waffen SS, as decent people of character.

The Austria Press Agency said dozens of memorial plaques were broken on Sunday. Red stars, a symbol of communism, were sprayed on some of the walls.

Hein-Juergen Mastalier, Carinthia's security chief, said that anything he could say about the attackers would be "pure speculation." *(AP)*

### Chechnya Hostages Are Freed

MOSCOW— Two Russian journalists held hostage in Chechnya were freed Sunday on the eve of talks in Moscow between President Boris Yeltsin and Aslan Maskhadov, the Chechen leader.

The kidnappers released their captives, who work for the private VID television channel, after Russian and Chechen security forces presented them with an ultimatum, Movladi Udugov, Chechen first deputy prime minister, said.

" The criminals were made to understand that they would be destroyed if they did not comply with the ultimatum, so they released the journalists," he told Ekho Moskvy radio.

Their release came two days after security forces in Grozny rescued an ethnic Chechen hostage. A policeman was killed in that operation.

Two Britons, five French people, a German, a Slovak and a Yugoslav are missing in Chechnya.

Mr. Yeltsin is expected to press Mr. Maskhadov during Monday's talks in the Kremlin to do more to help free the many Russian and foreign hostages seized in Chechnya by gunmen seeking ransoms. *(Reuters)*

# Turkish Leader Gets Way on Schools

## *Parliament Approves Restrictions on Religious Education*

By Stephen Kinzer
*New York Times Service*

ISTANBUL — Seven weeks after he took office, Prime Minister Mesut Yilmaz has scored his first major political victory by winning passage of a hotly debated law to restrict religious education.

Although the bill will reshape the educational system in Turkey, it has implications that go far beyond the classroom. Over the last few months, the question of religious education had become a symbolic rallying point for both religious and secular Turks.

Emotions ran high during the parliamentary debate last week and anger over the bill spilled over onto the streets of several cities. The police used clubs and water cannons to break up religious-led protests in Istanbul on Friday, and more than 100 people were arrested here and in other parts of the country.

Senior military commanders and other leading secularists supported the bill just as fiercely as some religious figures opposed it.

The former prime minister, Necmettin Erbakan, had refused to back the legislation, and his stance was a key factor behind the military's decision to increase pressure on his government, so that he felt forced to resign in June.

Under the new system, schoolchildren will have to spend eight years in public schools, instead of five years, before being eligible to enroll in religious academies.

Military officers and other secularists believe that religious academies have become too influential, producing Islamic militants rather than clergy members and religious scholars. Secularists are alarmed at indications that many academy graduates are taking positions in university student bodies and faculties, the civil service and the police.

The approval of the bill on Saturday removed a highly divisive issue from the agenda of Parliament. But opponents of the legislation have pledged to seek revenge at the polls on lawmakers who voted for it.

Because Turkey's powerful generals had insisted so strongly on approval of the bill, the vote was widely interpreted as a new reflection of the influence that the military exercises over civilian politics. It also displayed the ability of Mr. Yilmaz, who took office in June, to marshal support in Parliament.

"I will not condone religious academies that train warriors for the Welfare Party," Mr. Yilmaz declared in a speech last week. "These academies exist to educate intellectual clergy for our secular republic. In no way are we restricting freedom of religion, freedom of worship or the right to learn about religion. We are simply opposing those who want to use religion for political purposes."

Islamic critics of the government say many Turks want their children to have unrestricted access to religious academies. They interpret Mr. Yilmaz's attempts to curb the academies as evidence that he is no more than an errand boy for the military.

"In its haste to carry out the orders it has received, the new government has spent the last 45 days violating the constitution, human rights and the will of the people," Mr. Erbakan told supporters in Ankara.

Secularists say the new educational system will reduce the number of pupils in the academies and give academy pupils the intellectual tools to resist or question fundamentalist teachings.

The new system is to be imposed in stages, partly because no one is certain how the public school system would be able to accommodate such an influx of new students.



Murad Sezer/The Associated Press

**A child and her father chanting slogans Sunday in Istanbul to protest the curbs on religious education.**

# U.S. Increases Pressure to Capture Karadzic for War Crimes Tribunal

## *He 'Ought to Stand Trial,' Clinton's Security Adviser Says*

*Agence France-Presse*

WASHINGTON — With NATO troops believed to be studying plans to capture Radovan Karadzic, the Bosnian Serb leader who has been indicted for war crimes, a top U.S. official said Sunday that Mr. Karadzic "ought to stand trial."

"His continued presence in Bosnia is a problem," Sandy Berger, President Bill Clinton's national security adviser, told CNN television. "His presence in Pale is not helpful and he ought to stand trial as a war criminal."

The former Bosnian Serb president lives outside the Serb village of Pale.

Last week the NATO-led Stabilization Force compelled the Serb police who guard Mr. Karadzic to agree that they could no longer protect suspected war criminals.

"It has been placed under NATO control," Mr. Berger said. "I think it will make a significant difference."

**■ West Makes Key Move**

*Mike O'Connor of The New York Times reported earlier from Sarajevo, Bosnia-Herzegovina:*

The West's principal civilian authority here has set the stage for what some diplomats are portraying as the opening round of a diplomatic showdown with the Bosnian Serb authorities.

The Western representative has decided to support a move by the Bosnian Serb president, Biljana Plavsic, to dismiss the legislature of the Serbian-controlled part of Bosnia and call new elections.

The Bosnian Serb Constitutional Court ruled Friday that Mrs. Plavsic's action was illegal. But the office of Carlos Westerdorp, who was appointed to oversee the civilian side of enforcement of the Dayton peace accords, announced that it would overrule the court's decision.

Mrs. Plavsic is being enthusiastically courted by Western diplomats as the only Bosnian Serb in office who even marginally accepts key provisions of the accords, which ended the war in Bosnia. But she is confronting separatist politicians who retain most of the power in the Serbian part of Bosnia and have successfully defied the West for years.

The West now seems to be supporting Mrs. Plavsic in what is likely to be a series of difficult disputes. Her opponents could maintain the separate government they have now, ignore her dismissal of the legislature and, by refusing to cooperate with foreign-election officials, make a new vote nearly impossible.

And even if the Western governments overcome those challenges, they will have strengthened Mrs. Plavsic, whose history seems just as nationalist and xenophobic as those of her opponents.

The legislative elections that she is seeking would take place in October after municipal elections in September.

In Washington, the Clinton administration strongly criticized the Bosnian Serb court's ruling, saying that the judges had come under political pressure from supporters of Mr. Karadzic.

"We are aware of specific acts of intimidation directed against court justices and their families and strongly condemn such outrageous attempts to flout the rule of law," the State Department's spokesman, James Rubin, said. The U.S. reaction came as President Clinton met with senior advisers to discuss policy toward Bosnia after the visit by his envoys, Richard Holbrooke and Robert Gelbard.

A European diplomat put a slightly different twist on the events. "This is a very interesting position that we've gotten ourselves into," the diplomat said.

"We have to support Madame Plavsic, because we have encouraged her to fight the forces who oppose the peace agreement. Once that is said, how do we make her opponents accept all of this, and how do we live with her if she turns out to be a bad investment?"

As U.S. diplomats repeat when explaining their support for her, Mrs. Plavsic is the legally elected head of the Serbian-controlled portion of Bosnia.

But it is not a real country, representing only half of the area of Bosnia and Herzegovina, a country that is held together by international pressure and 32,000 foreign soldiers.

In her offices in the town of Banja Luka, Mrs. Plavsic commands a staff of four, plus a few advisers.

Mrs. Plavsic emerged as a serious critic of the politicians who run the Serbian area earlier this summer when she began attacking them for corruption. Until then, she had been one of their inner circle.



Agence France-Presse

**Mr. Karadzic explaining an ethnic map of Bosnia-Herzegovina.**

She said that Mr. Karadzic ran a criminal organization that was stealing much of the government's revenue. That theme struck home with many ordinary Serbs.

Then, in speeches that brought increasing support, she said the economy remained moribund because her opponents in the government refused to fulfill the peace agreement, prompting the West to refuse to give reconstruction assistance.

"There is no budget in the Bosnian Serb Republic," she said in one speech. "The police are smuggling, the people are in misery and the country is isolated."

## Game on Internet Parodies Massacre

*The Associated Press*

LONDON — A company owned by Richard Branson, chairman of Virgin Airlines, has apologized after a game based on the massacre of 16 children and their teacher in Scotland was found on an Internet site accessed through Virgin Net.

Ivan Izikowitz, technical director of London-based Virgin Net, said that the company did not know the web site contained such offensive material and it had been removed as soon as it was discovered.

"We certainly apologize for any hurt and distress that the part we played may have caused," he said.

Families of the children and teacher shot and killed by Thomas Hamilton on March 13, 1996, in Dunblane were outraged at the game. It invited players to shoot at children and those who hit all the targets with the fewest bullets were awarded a fictional accolade.

"I don't understand how someone could put something like this on the Internet for entertainment," said Rod Mayor, whose wife Gwen died protecting the children. "Obviously we are all appalled."

The game was placed on a site created by one of the 6,000 people who access the Internet by subscribing to Virgin Net. Mr. Izikowitz said the subscription of the unidentified person who created the Dunblane massacre game had been terminated.

# Over 400 Arrested in Germany As Neo-Nazis Mark Hess Death

*Compiled by Our Staff From Dispatches*

FRANKFURT — German police arrested more than 400 people as radical rightists attempted to mark the 10th anniversary of Rudolf Hess's death during the weekend.

More than 60 of those arrested were leftists who clashed with neo-Nazis and police. Three policemen were injured in the Bavarian capital of Munich.

Most of the arrests reported Sunday took place Saturday as police throughout the country checked cars and buses carrying suspected radical rightists to Hess rallies, banned in most of Germany.

Germany's highest court blocked a last-minute attempt to hold a commemorative rally for Hitler's deputy in the Bavarian town where he is buried. The Federal Constitutional Court, in a decision late Saturday, upheld a ban on gatherings connected with Hess in the town of Wunsiedel, a court spokeswoman said.

The court said in a statement that the ban on rallies in Wunsiedel should not be lifted as the 10th anniversary "brings with it a particular danger of riots by right-wing radicals and counterdemonstrations which cannot be controlled."

In Denmark, where freedom-of-speech laws allow neo-Nazis more scope for public display, about 150 Scandinavian, German and Dutch rightists marked Hess's death with a rally in Koege.

Appointed Hitler's deputy in 1932, Hess was effectively in charge of the Nazi Party until 1941, when he parachuted into Scotland on a mysterious mission. Historians dispute his exact intention, some believing he wanted to press for a British-German alliance against the Soviet Union.

Hess hanged himself on Aug. 17, 1987, with an electric cord in Berlin's Spandau prison, where he had been a prisoner since the Nuremberg trials, and the date has become a rallying point for the radical right in Germany and other European countries. *(AP, Reuters)*

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## INTERNATIONAL

# Scrambled Order Delays Mir's Docking With a Cargo Ship

By Daniel Williams
*Washington Post Service*

MOSCOW — Russia's cavalcade of glitches in space resumed Sunday when mission control postponed docking the Mir space station with a cargo vessel because of a computer miscue.

This time, the problem lay not with Mir, but between mission control and a Progress cargo craft, whose computer rejected an electronic order from Earth to fire rockets and approach Mir.

A spokesman for mission control said that information provided by ground controllers to Progress was flawed, leading the computer to automatically abort the approach.

Such a mistake might not normally attract attention but it followed a virtually unbroken parade of problems with Mir, starting in February. The Russian space agency is set to investigate all of the Mir mishaps; hanging in the balance is a judgment whether Mir, after 11 years' service, is still a fit space station.

Valeri Lyndin, a spokesman for mission control, said that the "operator error" would be "easily fixed" and predicted the docking would take place Monday.

The mission control director, Vladimir Solovyov, looked irritated as he announced the delay.

"We won't have the docking today," he told reporters. "This is explained by the fact that the necessary information for the guidance system which the ship uses to approach the station turned out to be entered incorrectly. We admit it."

He said that mission control would investigate why the flawed information sent to Progress had not been recognized "by all the tests we are carying out on Earth."

The delayed docking presents no danger to the three-member Russian-U.S. crew aboard Mir, officials said.

Mission control wants to dock Progress with Mir because Progress contains fuel that can be used to boost the space station to a higher orbit. Mir can do the job itself, if necessary, but it would take more fuel, space officials said.

The Progress cargo ship is currently carrying only trash, including old equipment, used towels and underwear, napkins and food wrappers. In July, before being used as a garbage container, Progress had ferried water, oxygen, food and tools to Mir.

The July docking, by automatic pilot, was flawless.

However, a previous Progress cargo vessel, also carrying garbage, crashed into Mir on June 25. The collision punctured one of Mir's modules and since then, the space station has been operating on half its normal supply of electrical energy.

The circumstances of the June accident differed from the aborted docking on Sunday. In June, Progress and Mir collided during a manual-pilot docking practice. The docking scheduled for Sunday was to have been accomplished on automatic pilot, and crew members were not involved.

However, the fact that erroneous information was radioed from Earth to the Progress raises questions of either human competence or faulty equipment.

Mir is carrying the Russian cosmonauts Anatoli Solovyov and Pavel Vinogradov, along with the U.S. astronaut Michael Foale. On Wednesday, Mr. Solovyov and Mr. Vinogradov are scheduled to restore electrical power lost in the June collision. Their critical mission, which includes floating into the damaged Spektr module on an "internal spacewalk," will proceed on schedule, said the mission director, Mr. Solovyov.

After this docking, Progress will stay attached to Mir until a new supply vessel arrives in October. Keeping it docked protects the docking hatch from deteriorating due to sun damage, Russian officials said.

Later, Progress will be jettisoned and positioned to fall into the Earth's atmosphere, where it will burn up.

# *Launching a Riposte*

## Woes All 'From Earth,' Mir Crew Says

By Michael Specter
*New York Times Service*

STAR CITY, Russia — So much for the mea culpas.

The two accident-prone cosmonauts who just ended six disastrous months on the space station Mir used their first public appearance Saturday to denounce everyone — from President Boris Yeltsin to individual members of the press — who have dwelled so publicly on the mission's many failures.

In a news conference that was a tour de force of recrimination, the cosmonauts, Vasili Tsibliyev and Alexander Lazutkin, lashed out at those who spread "rumors, gossip, and lies" and said the worst of the spacecraft's problems were to be found on Earth.

"It has always been a tradition here in Russia to look for a scapegoat," said Mr. Tsibliyev, the visibly troubled commander. "Of course, it is always easier to put all the blame on the crew. But in this case that's not fair."

The crew's time in space was marked by the worst collision in the station's 11-year history, several major systems failures and the accidental disconnection of a cable essential to guide the 120-ton spacecraft. Criticism of the crew reached a climax during the week when Mr. Yeltsin said the problems on board were not technical but due to "human error."

Senior officials of the Russian space agency have voiced similar sentiments and the Russian press has been merciless.

"How and why Fortune declared war on this crew is unclear," an article in Komsomolskaya Pravda noted on Friday. "But even confirmed materialists have started shouting, 'Something spooky's going on here.'"

Mr. Tsibliyev, speaking Saturday in Star City north of Moscow at what was once the secret training site of all Russian cosmonauts, singled out that ironic and belittling story as particularly offensive to him. He said more than once that he was lucky to be on Earth — although at times he looked as if he would be grateful to leave it again at the next available opportunity. And he stressed that, according to the rules, "we should have abandoned the station three separate times but we never thought about jumping ship. Not once."

The three incidents he referred to were a fire in February caused by an oxygen-producing candle of the type that is now being used on the station, the loss of pressure after the collision in June and the accident last month when one of the cosmonauts, usually presumed to be Mr. Tsibliyev, disconnected the power cable.

That last event caused Vladimir Solovyov, the mission director, to bark out what will surely become one of space travel's most infamous phrases: "This is a kindergarten."

Asked who was responsible for that last error, Mr. Lazutkin, responded quickly, "If I tell you, will you leave?" Realizing the answer might be yes, he circled back, saying that the two would have to speak to doctors and psychologists and that a commission would decide who, if anyone, caused the errors.

The cosmonauts acknowledged that their shift in space had been troubled from start to finish. Their initial approach to the station in the Soyuz space capsule was marred by a docking failure that forced the commander to recover manually. And their re-entry was flawed, too, by brake engines, designed to cushion hard landings, that never fired properly.

Mr. Tsibliyev, 43, was patient but firm in his statements Saturday.

He felt it necessary to remind people of a glaring truth: The Mir is an 11-year-old, jury-rigged flying tool kit that was originally supposed to last five years. It has suffered through 1,500 malfunctions during its time in space and even minor problems there can become scary very quickly.

"On Earth, if you can't get rid of your waste, it's a simple problem of plumbing," he said, referring to one of the less public but more annoying of the crew's recent inconveniences. "For us, we have to worry how we are going to survive."

But most people who have become preoccupied with the station's problems are mostly interested in questions of blame. And for them, Mr. Tsibliyev had a direct response.

"It all comes from Earth," he said, referring to the problems on the station. "From our economy, our affairs, our poor lives. Even the equipment needed to live aboard the station that we requested to be sent — and we're not talking about coffee, tea and milk for us — it just doesn't exist on Earth. Simply, the factories don't work, or have insufficient supplies, or the prices they want are too high for us to afford. It can be crazy."



Reuters

**Alexander Lazutkin, left, and Vasili Tsibliyev denouncing what they said were efforts to make them scapegoats.**

# Defection of South Korean to North Stirs Political Feud in South

By Nicholas D. Kristof
*New York Times Service*

TOKYO — A prominent South Korean religious leader appears to have defected to North Korea, sparking a new political battle between rival political parties in the South.

South Koreans are accustomed to welcoming defectors from North Korea, which is widely believed to be on the verge of famine, but it is less common for people to flee from the democratic and prosperous South to the Communist North. The defection would be a rare propaganda victory for the North as well as a significant embarrassment to South Korea and especially to the South Korean political party, which the defector had served as a senior adviser.

The defector, Oh Ik Jae, a 68-year-old former head of Chondogyo, an indigenous religion that arose in the 19th century and has more than a million adherents in South Korea, arrived Friday in the North Korean capital of Pyongyang, the North Korean news agency reported over the weekend.

"I think it boundless honor to have come to this wonderful society led by the great general, Kim Jong Il," the news agency quoted him as saying. Mr. Kim is expected to be named party leader later this year.

North Korea has sometimes been accused of seizing South Koreans in China or in Europe and taking them back to North Korea to portray them as defectors, but in the case of Mr. Oh, Seoul has yet to make public accusations of such a kidnapping.

Normally, the South Korean governing party would feel humiliated by such a defection, particularly since Mr. Oh had served until June on a presidential council, the Advisory Council on Democratic and Peaceful Unification.

But the governing New Korea Party instead was chortling Saturday because Mr. Oh is a member of the main opposition party and had served as religious affairs adviser until May. The governing party has often accused the opposition group, led by Kim Dae Jung and called the National Congress for New Politics, of being soft on communism.

With a presidential election due later this year, on Saturday the New Korea Party trumpeted the issue of Mr. Oh's defection and sternly called on the opposition party to "repent and clarify its exact political stance."

The opposition immediately distanced itself from Mr. Oh and accused the New Korea Party of trying to use the defection to divert attention from political scandals.

Chondogyo, a religion drawing on Confucian, Buddhist, shaman, Taoist and Catholic influences, emphasized that Mr. Oh is no longer its leader.

"We cannot hide our shock and dismay at the news of Oh Ik Jae's defection to the North," the head of the church, Kim Jae Joong, said. The current church leader said Mr. Oh had led the church for five years until 1994 but had been dismissed at that time because of a scandal.

"We have not been in contact with Oh for the last three years, and our church has no knowledge whatsoever of the motives behind his defection to the North," Mr. Kim said.

# *Chemical Arms Ban Gets Results*

By Barbara Crossette
*New York Times Service*

UNITED NATIONS, New York — Three months after an international treaty banning the production or use of chemical weapons took effect, more than half a dozen nations have admitted that they possessed such arms or had the ability to make them, the director general of the treaty monitoring organization said last week.

"There were surprises," said Jose Bustani, director general of the Organization for the Prohibition of Chemical Weapons. "We didn't expect as many countries to come out of the closet as they did."

Until now only two countries had admitted having chemical weapons stockpiles — the United States and Russia. An Iraqi poison gas program was uncovered by United Nations monitors after the 1991 war in the Gulf.

While most nations admitting to having either chemical weapons or the capacity to make them are keeping their declarations secret, as permitted under current rules, the most surprising open admission came from India.

The Indian government had long denied that it had chemical arms, although U.S. and European arms experts suspected there was poison gas in the Indian arsenal.

In late June, India told Mr. Bustani's organization, based in the Hague, that it had a chemical weapons stockpile. The Indian government made public the outline of its declaration in New Delhi.

Inspectors began visiting Indian chemical weapons sites early this month, officials in the Hague said, and India would now have to destroy its arms and production plants under international supervision.

"It is a very encouraging step that they have done this," said Terence Taylor, assistant director of the International Institute for Strategic Studies in London, who was a negotiator for Britain on the treaty.

In Washington, Baker Spring, senior defense analyst at the Heritage Foundation who is critical of the Chemical Weapons Convention, said that it would be "foolhardy" without independent inspections to accept India's confession as evidence the treaty was working.

At the Henry L. Stimson Center in Washington, an independent organization specializing in arms control and national security issues, Amy Smithson, a senior associate and expert on chemical weapons, said that the onus was already on the technical panel of The Hague organization to check the veracity of India's declaration.

U.S. officials said that their primary interest was seeing weapons dismantled. They wanted to treat these admissions routinely to encourage more declarations to be made.

Among other suspected chemical weapons producers or suppliers are Ethiopia, Iran, Syria, Israel, Egypt, Libya, Pakistan, Burma, Vietnam, North and South Korea. China is also thought to have chemical arms.

The Chinese and South Koreans have apparently acknowledged and detailed their weapons programs in reports to the treaty organization.

# KOREA: *Scandal Throws the Presidential Campaign Wide Open*

**Continued from Page 1**

inated by the New Korea Party at its convention last month. A former prime minister, Mr. Lee was seen as the kind of "Mr. Clean" who could help the party hang onto the presidency by distancing it from the financial scandals and sleaze that have plagued it during Mr. Kim's term.

But within days, opposition politicians raised the issue of the exemptions of Mr. Lee's sons from military service. Although no wrongdoing has been proved, the scandal has dented Mr. Lee's popularity ratings. In polls last week, he only had the support of about 25 percent of voters, thus opening the door for South Korea's first truly unpredictable election in decades.

In 1992, South Korea elected Kim Young Sam as its first civilian president since the early 1960s.

Mr. Kim came from a ruling party with strong backing from former military leaders that turned out to be unbeatable. But now the party is vulnerable, and opposition leaders see an unprecedented opportunity.

"We may see the transfer of power from the ruling party to the opposition, which hasn't happened in Korea since the 1940s," said Lee Jong Chan, vice president of the main opposition party, the National Congress for New Politics, whose leader, Kim Dae Jung, now leads Mr. Lee in the opinion polls.

The election probably will mean little change in policy toward the United States, no matter who wins.

Mr. Lee said Thursday that he strongly supports the continued presence of the U.S. military in South Korea, and the other major candidates hold the same view. Mr. Lee said that while the two countries occasionally have "differing viewpoints" on trade and security issues, particularly in dealing with North Korea, he believes the overall relationship is strong.

The issue of Mr. Lee's sons' exemptions from military duty has galled South Koreans even more than Americans were bothered by questions of President Bill Clinton's military record during the 1992 U.S. presidential campaign. South Koreans live with the daily threat of invasion by North Korea, the militaristic Stalinist land just across their border.

To maintain a strong military, South Korea requires all young men to serve about two years in the military or in defense-related jobs. For South Korean parents, there is no more wrenching moment in life than sending a son off to the armed services. But it is almost always done without question, out of a keen sense of national pride and duty.

When the presidential candidate was asked about the new allegations, he did not respond directly. "What would you do if you had a family and those people had physical handicaps?" Mr. Lee asked. "Is it my responsibility? I try not to make excuses for myself. But in matters concerning children and their physical handicaps, there has to be a time when people think more rationally. Opposition parties are now setting a fire, but after a while I expect them to cool down."

# SUICIDES: *Plague of Deaths Jolts Dead-End South Boston*

**Continued from Page 1**

Ahern, a 26-year-old native of South Boston who works with teenagers at the South Boston Neighborhood House. But the suicides were a thundering declaration that there was an enemy within. "Kids killing themselves," Ms. Ahern said. "Who do you pin that on?"

The suicides have prompted an extraordinary public self-examination in a neighborhood that has long maintained a code of silence around private troubles.

Southie residents are talking about the area's problems, which are not all that different from other Boston inner-city neighborhoods: poverty, drug abuse, broken homes, too many high school dropouts, lack of jobs.

They are also beginning to say that South Boston's legacy of anger over busing may have hurt the children they were trying to protect.

For Southie, the ground has shifted. The blue-collar jobs that once bought houses and security for men and women with high school educations are disappearing.

And with the waning influence of Southie's politicians — after six decades of Irish rule Boston has its first Italian mayor — the political patronage that once assured jobs as court officers and bus drivers for Southie residents is no longer certain, either.

In the aftermath of busing, the public schools, as well as the church, which supported desegregation, no longer command the same respect they once did.

There are many South Bostons, and there are many young people from the neighborhood who are succeeding in some of the city's most academically demanding schools and whose prospects are bright.

But for many of Southie's young people, the once-thriving ethnic enclave has turned in on itself and become a trap.

Michael MacDonald, 30, who grew up in a housing project in South Boston and is now a neighborhood organizer, sees a horrible symbolism in the method of suicide. Statistically, hanging is relatively uncommon among teenagers.

"Who hangs themselves?" he asked. "People in prison hang themselves."

They call South Boston "the town," and with 29,000 residents, it still feels like a small town. It is not surprising that in this tight-knit world the six suicide victims all knew each other.

Kevin Geary wanted to be a state trooper. He lived with his mother in the Old Colony development, a housing project that some demographers have rated one of the poorest white neighborhoods in the country.

He hanged himself on Dec. 30 after getting an $85 traffic ticket for running a blinking red light.

Duane Liotti was the second, in February. He was also from Old Colony, where he lived with his mother, an administrative worker in a nursing home.

Tommy Mullen, gregarious and popular, was drunk the night before St. Patrick's Day, March 17, when he and a friend each wrapped a belt around his neck at the West Broadway housing project.

Tommy's friend, also 15, changed his mind in time.

Jonathan Curtis killed himself in April, the day after one of his close friends, 23-year-old Shawn Austin, died of a heroin overdose.

Tommy Deckert, a former altar boy, was taken to the hospital after attempting suicide on June 8. Never regaining consciousness, he died of his injuries five days later.

# KENYA: *Moi Blames Killings on His Foes*

**Continued from Page 1**

time has come for us original inhabitants of the coast to claim what is rightly ours. We must remove these invaders from our land," the pamphlets said.

A Reuters reporter, Edmund Kwena, said a filling station had been attacked and a pump set on fire and said he saw scores of buildings burned on Sunday.

"I personally counted up to 100 kiosks completely burned down," he said. "Dozens of houses were also set on fire in the Diani area, a popular tourist area south of Mombasa."

Kenya's roadside kiosks mostly sell clothing, fresh fruit, vegetables, and handicrafts for tourists.

Truckloads of army troops were immediately deployed in the area and senior army officers arrived by helicopter.

A man was shot by the police and his body burned by villagers at Bombolulu, north of Mombasa, on Sunday. The shooting took place after survivors of overnight attacks in neighboring Shauri Yako slum area accused Bombolulu residents of responsibility.

Residents said dozens of houses in the Maweni and Kongowea areas north of Mombasa were burned Sunday.

Karl-Heinz Straus, chairman of the Coastal Kenya Association of Tour Operators, said he was worried that chaos could hurt tourism.

# RWANDA: *Extent of U.S. Military Involvement Comes to Light*

**Continued from Page 1**

Rwandan vice president and defense minister, Major General Paul Kagame, meet the militia threat from the refugee camps. The official denied that this was counterinsurgency training, as has been alleged in a recent report by Physicians for Human Rights.

Kathi Austin, a Human Rights Watch investigator, told the House Committee on International Affairs last month that U.S. military personnel in Rwanda told her in 1996 that U.S. counterinsurgency training was under way there.

U.S. officials have maintained since the beginning of the Zairian conflict last fall that Washington was not informed of Rwanda's plan to go after Marshal Mobutu. What Washington did fear, the Pentagon official said, was that Rwanda's army would launch a cross-border strike into Zaire to thwart the Hutu militias in the refugee camps. General Kagame had discussed that "strike" option with U.S. officials, "but we counseled him several times not to do that," the Pentagon official said.

General Kagame struck in a broader manner, deploying Tutsi fighters from Rwanda and Zaire to break up the camps, overrun Marshal Mobutu's military and push westward toward Kinshasa, the Zairian capital. Last month, for the first time, General Kagame publicly acknowledged his military's lead role in the Zairian insurgency.

U.S. Special Forces training is now under way in Rwanda again, the second round of such training in a year, while humanitarian groups raise questions about the intent and effect of U.S. involvement there.

Although the Pentagon credits the Rwandan military for its professional, committed leadership, international human rights groups have accused Rwanda's army of committing or fomenting widespread human rights abuses both at home and across the border in Congo.

Amid the continuing instability following Marshal Mobutu's ouster in May, the victorious Rwandan and Congolese Tutsi fighters in Congo are widely accused of killing large numbers of Hutu civilian refugees as part of their campaign against the Hutu refugee militiamen, who fought on Marshal Mobutu's side. The United Nations has been attempting to investigate these abuses but has been thwarted thus far by Congo's new president, Laurent Kabila.

More than a million Hutu refugees fled into what was then Zaire three years ago in fear of reprisals after Rwandan Hutu extremists slaughtered at least 500,000 Rwandan Tutsi in 1994. Their UN-operated camps were largely controlled by Hutu militiamen posing as refugees who are suspected as perpetrators of the bloodletting, which is widely called genocide.

In early October, General Kagame's military and its Zairian allies began attacking the camps and succeeded in driving most of the Hutu home to Rwanda.

The Pentagon official characterized Rwanda's human rights record as "surprisingly good" in view of the 1994 slaughter, which ended when General Kagame's Tutsi rebel forces took over the country.

## INTERNATIONAL

# Albanians Develop a Taste for Hot Cars

By Jane Perlez
*New York Times Service*

DURRES, Albania — You dream of a late-model Mercedes Benz, silver toned, leather seats? But your budget is $10,000?

Here on a sandy lot near the beach at Eastern Europe's hottest auto mart, your car awaits you. Fatos, the salesman dressed in black jeans and checked shirt, his face red from trolling for customers under a hot sun, is asking $9,000.

If you want a white 1994 Mercedes, he has that, too, from among dozens of near-new European and Japanese cars.

Fatos is more honest than most of the salesmen. He admits that the array of cars glinting in the sunlight are all stolen. "Anyone telling you otherwise is lying," he said.

This means you can tool around Albania all you want in your newly purchased Mercedes. But if you try to cross the border to Greece or take your car on a boat to Italy, it is likely to be confiscated by customs inspectors on the lookout for recently minted, expensive cars with Albanian plates.

Since Albania emerged from its Communist cocoon in 1991 it has been one of the best customers for Europe's stolen cars.

Albanians were forbidden to own cars during the austere Communist regime; the most luxurious means of private transportation was a bicycle. Now, six years after the collapse of communism, residents of the Albanian capital, Tirana, say they have more Mercedes Benzes per capita than most other European cities. The big sedans jostle each other on potholed and dusty roads, often whizzing by donkeys pulling carts.

Yet there is not a Mercedes showroom in the whole country. An attempt at selling new Mercedeses last year failed because the competition from the older, cheaper, stolen variety was too stiff.

The vast majority of the Mercedeses — and the late-model BMWs and Alfa Romeos — are believed to have been stolen in Western Europe and to have entered on ships berthing here from Italy.

Fatos was keen to sell one of his two Mercedeses but warned that it would not be wise to take it outside the country. An Albanian central bank official's state car was confiscated because it was discovered by the Greek customs officials to have been stolen, he said.

**By 1994, Albania had become a favorite destination for expensive cars stolen from the streets of Europe.**

But inside Albania, the police consider the stolen cars as "normal cars," Fatos said. "Half the government cars were bought here," he said.

Some salesmen tell customers that their cars would be allowed into Europe. "You can sign the mortgage on my house," one of the salesmen said as he tried to convince a potential buyer that the documents on a 1993 Mercedes would pass muster at the border. Another said, "You can collect $10,000 from me if this car is confiscated getting into Italy."

Tatjana Luci, who has built a booming spare parts business in Tirana, has watched her business expand alongside the stolen car industry.

At first, she said, many Mercedeses came to Albania legally. They were brought here, she said, by entrepreneurial young Albanian men who bought secondhand pre-1985 models in Germany, many of them worn-out taxis, and drove them back to Albania, complete with correct documentation.

Then as more Albanians learned how to drive and as others started to make big and fast money through drug trafficking, the appetite for fancier cars grew. By 1994, Albania had become a favorite destination for expensive cars stolen from the streets of Europe, and it remains strong even though the market tumbled early this year during a period of political instability and near anarchy.

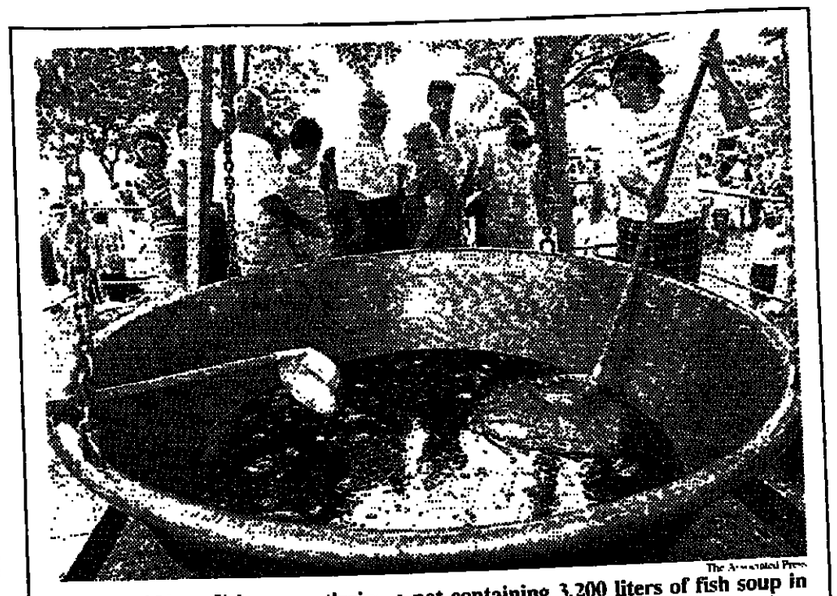
Interpol made an effort to investigate the stolen car racket in Albania last year, Mrs. Luci said. But when word went around that foreign officials were looking for stolen Mercedeses, many of the cars went underground and into garages, she said.

Now the car thieves have become so sophisticated that the resellers offer vehicles only three months off the factory floor.

"I find it hard to find spare parts for a car that is only three months old," Mrs. Luci said as she spoke in the back of her shop filled with fan belts, light fixtures and engine parts. "My Greek suppliers joke: 'We are not so rich that we can supply all these rich Albanians.'"

Mrs. Luci drives a 1988 Mercedes. She paid $6,000 for it last year.

When she was first offered the car, the salesman from Durres showed her documents indicating that the car had been brought to Albania legally for a customer in the port of Vlore.



The Associated Press

**SOUP'S ON — Fishermen stirring a pot containing 3,200 liters of fish soup in Palic, 200 kilometers north of Belgrade in Vojvodina Province. The makers of the gigantic tureen of soup were attempting to gain an entry in the Guinness Book of Records. The soup was ladled out without charge to anyone with a taste for it.**

But then she learned that the papers had been forged by what she called one of the document "artists." The car really came from Montenegro and had been stolen.

"I had a very bad feeling," she said. "I felt very sorry for the ex-owner. The car had obviously been the apple of his eye. It was very well kept. But then I bought it. I thought if I didn't buy it someone else would."

A very tempting offer came to Mrs. Luci the other day: a 1997 Mercedes, only three months old. "It is dark blue going on black, gorgeous. The air-conditioning allows you to have a choice of the smell of bananas, oranges or strawberries to come into the car."

The price? "Ten thousand dollars. I was told the documents were O.K. to take it out of the country. But I don't know. I was afraid to buy it."


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# Focusing on Bosnia

President Bill Clinton has some difficult decisions to make on Bosnia. The peace there is frayed, the prospects for long-term stability are uncertain and the ostensible deadline for withdrawing American troops is now less than a year away. In the coming weeks Mr. Clinton must once again consider what price America is prepared to pay to help secure a lasting peace in Bosnia.

Many of Mr. Clinton's options require more assertive use of NATO forces in Bosnia, including some 8,000 American troops. That is now warranted, provided the use is judicious, carefully planned and executed, and limited to several narrowly defined roles where NATO troops can make a difference in securing peace. For now, we do not believe that includes a risky operation to capture Radovan Karadzic, the former Bosnian Serb president and a prominent war crimes suspect.

Although the Dayton peace agreements provide for the use of NATO forces in a variety of enforcement roles, they have been used sparingly, partly to minimize the risk of casualties and partly because NATO leaders have differed over the appropriate use of military force. The election of Tony Blair as British prime minister has reduced the differences, giving Mr. Clinton wider latitude.

Mr. Clinton well knows the dangers that can come with the expanded use of peacekeeping forces. An ill-conceived manhunt in Somalia in 1993 left 18 U.S. soldiers dead.

The more disciplined use of peacekeeping forces in Bosnia has so far kept casualties to a minimum. Not a single American has been killed by hostile fire. With careful management by Washington, reasonable levels of risk can be maintained while making more vigorous use of the NATO forces, as anticipated in Dayton.

General Wesley Clark, the new NATO commander and one of the architects of the Dayton accords, has already begun to do that. This month NATO troops have started to inspect Bosnian Serb special police units, part of an overdue effort to place them under international control. The units, which are armed with light artillery, provide security for Mr. Karadzic and others indicted by the war crimes tribunal in The Hague.

General Clark should give his forces an expanded role in safeguarding refugees returning to communities where they are members of an ethnic minority. Reconciliation in Bosnia will be impossible if none of the ethnically mixed cities that existed before the war can be reconstituted.

Bosnia urgently needs independent radio and television stations to compete with state-controlled broadcasts polluted with nationalist propaganda, especially in Serbia and Republika Srpska, the Serbian-ruled part of Bosnia. Mr. Clinton should redouble efforts to open new stations, and guard them with NATO forces if necessary.

Until recently, NATO units showed no interest in detaining suspected war criminals, even when troops encountered them on routine patrol. NATO soldiers should be encouraged to arrest suspects they run into. In July, NATO leaders authorized a more aggressive campaign to catch those under indictment. One Bosnian Serb was captured and another killed when he resisted arrest. That campaign now seems to be on hold, and pressure is building to go after Mr. Karadzic. Before Mr. Clinton puts American troops in harm's way, he ought to be certain that he has exhausted other ways of isolating Mr. Karadzic.

No one doubts that Mr. Karadzic's continuing political activities are in violation of the Dayton agreement and the commitment of Serbian and Bosnian Serb leaders to push him aside. Nor is there any question that his disruptive role impedes reconciliation in Bosnia. Clearly, the interests of justice would be served by his capture and prosecution. But those calling for his capture have yet to show that the benefits of seizing him outweigh the risks, including a deadly firefight with his guards, and retaliatory terrorist strikes against NATO troops.

There are less risky but still effective ways to intimidate Mr. Karadzic. Mr. Clinton, for the moment, has a renewed commitment from Slobodan Milosevic, the Serbian leader, to sideline him. Mr. Clinton can force compliance this time with sustained pressure. General Clark's more aggressive posture and publicized movement of Pentagon commando units help signal to Mr. Karadzic that ultimately he can be seized unless he stops his political activities.

A more active U.S. role can help ameliorate many of the troubles bedeviling the Bosnian peace, including the reappearance of Mr. Karadzic. Mr. Clinton, diverted by last year's election, let Bosnia drift for six months. He now seems re-engaged. How he manages American involvement will go a long way toward shaping the foreign policy legacy of his presidency.

*— THE NEW YORK TIMES*

# India: The Criticism Is Justified but Overdone

**By A. M. Rosenthal**

NEW YORK — When I was young in India ... Often, when I give myself time to think about my life, the words pronounce themselves to me.

Sometimes they startle me, the times I hear them when I thought I had been thinking about other things and other places. Until a few months ago I believed that the words had to do only with the four years I spent as the New York Times correspondent in India, in the second half of the 1950s.

But in March, on one of many journeys back, I understood that what the words said to me was that I had felt young not just in the '50s but always since, whenever I returned to India. I realized that every return was like starting fresh — the same excitement and zest, the same sense that not just a country but a whole world of infinite variety was spread out before me and that I had the delicious chance to learn about it, just by going forward to meet it.

All this year, as India approached the 50th anniversary of its independence on Aug. 15, it has been getting unsparing analysis and criticism. I contributed a share.

But not today, and I hope I never will send her one of those black-bordered cards she has been getting for decades. They arrive with every birthday or crisis from Indians and foreigners. Americans and Indian professionals share a particular delight in kicking their country around.

By now you may have guessed that I am seized by India. It could be said that I love India, so I say it.

I love India for personal reasons. It gave me decades of discovery, learning and friendships — and lots and lots of stories to write. All I had to do was go out and scoop them up; for reporters, a golden land.

I love India because when almost all newly independent countries became communist or fascist, or militaristic tyrannies that the world prettified by calling them authoritarian, and through all the decades when the West poured its treasure into dictatorships and its contempt into India, the Indians stuck with democracy. That is the most personal reason of all for a foreigner who knows that he himself could not thrive, and might not live, without it.

Some birthday mourners say yes, India has elections, but elections alone do not a political democracy make. No, but they certainly do when they are as free and regular as India's, and when India adds freedom of press, worship, courts, speech, assembly and politics, and a usually vote-smart public.

In the 50 years since 1947, Indians have created a single nation where none existed before, out of 500 princely states. They built it despite religions at war with each other for centuries, and the death of a million people in the war of partition.

They fashioned a steadily industrializing state, which produced a huge middle class. Its scientists, doctors and computer wizards bolster not only India but America and other Western countries.

Indians have not solved the old evils that still threaten their future — poverty, illiteracy, the birthrate, violence between Hindu castes and among Hindu, Muslim and Sikh. And newer evils are eating into the national marrow: epidemic corruption and business regulation that Indian politicians keep promising to end but don't.

But consider the world's record in the 50 years before 1947:

Two world wars. One Holocaust. Fascism and communism. Unknowable millions slaughtered by Germany or starved to death in the Soviet Union. Policies that helped Japan defeat China and then helped the Communists take over China. Nuclear bombs, two used (thousands still available). World depressions. Famines in Western colonies — like India.

And now for a few world highlights since 1947, during India's half-century of self-rule.

Corruption: Italy and Russia. Religious and communal warfare: Bosnia. Racial tensions: France and Germany. Appeasement of dictators: Western arms and technology to Iraq. Communist China, etc. Famines: Mao bringing death by starvation to unknowable millions. Disease: AIDS and tobacco-cancer. Drugs, crime and cynicism: See everywhere.

Exception: the United States, which knows no poverty, disease, corruption or racial tensions.

After examining the above two paragraphs, could we please wait before sending black-bordered cards on India's birthdays? Wait, say, 50 more years.

*The New York Times.*

# Japan: This Time Around, the Hawks Will Probably Lose

**By Gregory Clark**

TOKYO — History could be repeating itself. Sixty years ago the Japanese right used the question of Manchuria to confront China and polarize Japanese politics. Today it seems to want to use the Taiwan issue for much the same purpose.

The catalyst is the current debate over draft guidelines for military cooperation with America under the Japan-U.S. Security Treaty, which say that Japan should provide material and base support for the United States in the event of an emergency in Japan's "vicinity."

Since the Taiwan Strait is only a few hundred kilometers from U.S. bases in Japan's Okinawa, common sense, not to mention broad hints from Washington, say that Japan is committed to supporting America in any renewed military confrontation with China in that area. The Japanese right is more than happy with that interpretation. Beijing, and the Japanese left, have already voiced strong objection.

In theory, the rightists should be able easily to win this debate, since they dominate the conservative Liberal Democratic Party, which in turn dominates Japanese politics. But in 1994 disgruntled LDP members joined with middle-of-the-road factions to form the opposition New Frontier Party, now led by the rightist Ichiro Ozawa.

As a result, the LDP has had to rely on a coalition with the left-leaning Social Democratic Party and the progressive Sakigake splinter group to regain power, both of which have doubts about approving the guidelines, especially if they bring Japan into direct confrontation with China.

To break the deadlock, the LDP's right wing wants to use the military guidelines issue to ditch the two coalition partners and tie up with right-wingers in Mr. Ozawa's now crumbling party to gain a parliamentary majority, particularly since Mr. Ozawa himself strongly advocates close military cooperation with the United States.

But this would alienate the liberal and anti-Ozawa factions in the LDP. Italian politics seem simple in comparison.

The man in the middle is a liberally inclined 58-year-old LDP politician named Koichi Kato. As the party's secretary-general, he wields LDP power. And as a former diplomat and China specialist, he has done everything he can to insist that Japan's "vicinity" excludes the Taiwan Strait (he says it is only the Korean Peninsula). The LDP right is now maneuvering openly to have him humiliated and replaced.

For the moment, Mr. Kato has the support of Prime Minister Ryutaro Hashimoto, mainly because of his skills in keeping the party's unlikely coalition partners in line, and in winning over to the LDP some of the more liberally inclined defectors from opposition parties.

But Mr. Hashimoto himself is right-wing-inclined. As a former head of Japan's powerful war veteran relatives' association, he has in the past strongly opposed any hint of Japanese war guilt.

Crunch time will be next month when Mr. Hashimoto visits Beijing and is forced to commit himself on the Taiwan Strait issue. (Japan's current official position is that "vicinity" does not have to be defined.) A shakeup of top LDP posts is also due then, and a right-wing push for power seems inevitable.

Given Japan's history of aggression and atrocity against China, the right's strong anti-China bias may seem curious. But unlike in Germany, where war guilt reigns, not just the right but even moderate conservatives feel that Japan does not have to apologize to anyone for the war — that if anything Japan was a victim rather than an aggressor, in that it sought to free Asia from Western colonialism, only to be atom-bombed for its pains.

The leading right-wing guru and former prime minister, Yasuhiro Nakasone, has said openly that mistaken American attempts to throw Japan out of China in the past made the 1941 Pearl Harbor attack inevitable. The parallel is not the Germany of today but the Germany of the 1930s.

The stage is being set for a right-wing push. The powerful and highly conservative Bungei Shunju publishing group has come out with a strong attack on Mr. Kato's liberalism; the group has a successful track record for discrediting leading liberals it does not like.

And to give a clue as to where its war guilt sympathies lie, the group's Shokun magazine is running a bitter attack on the New York Times for reporting, correctly, cannibalism and baby killing by fanatical Japanese troops during World War II.

Japan has also been hit by violent, even if little reported, protests by ultranationalists against any attempt by progressives to mention or show photos of Japanese wartime atrocities in China in connection with Aug. 15 war-end ceremonies. The Chinese have deliberately faked these alleged atrocities, the nationalists say, including even the undeniable mass killings in Nanking in 1937. Many on the LDP right support these protests.

The Japanese right fears Beijing's rising power and prestige in Asia. Its not very hidden aim is to encourage a breakup of China, starting with Taiwan, for which it harbors nostalgic colonial memories and whose current president speaks better Japanese than Mandarin Chinese.

Two very different groups will decide whether the right prevails. One is the conservative establishment, which clearly would like to see a militarily stronger Japan using U.S. strategies in Asia, including a Taiwan Strait confrontation with Beijing, to piggyback its own influence into Asia.

The other is a nervous electorate. Currently it tries to ignore the policy debates. But a clear dove/hawk policy split over China, with Beijing making loud background noises, would probably be enough to push the voters into making a clear choice in favor of the doves. The hawks could win the current political battle but lose the war.

*The writer, a former Australian diplomat, contributed this comment to the International Herald Tribune.*

# Mideast: The Solution Is Still 'Land for Peace'

**By Stephen S. Rosenfeld**

WASHINGTON — Benjamin Netanyahu has altered the terms of Middle East diplomacy in a way that confirms and protects his ruling Likud Party's reluctance to yield much territory and any sovereignty to the Palestinians. Bill Clinton and his diplomats give scant sign of addressing the implications of the change. Their innocence makes American policy increasingly prone to irrelevance.

In the old days, the terms of the Israeli-Palestinian struggle were territory and peace. The Israelis would give up captured territory, the Palestinians would settle into a normal relationship. Israel's Labor Party nailed those terms into the Oslo interim agreement of 1993, whose results Mr. Clinton hailed on the South Lawn.

Now there is no more talk of territory for peace — the basic deal that the company of nations has always embraced. The promise of Israel returning territory has been quietly moved off the table.

What the Palestinians are now offered is not territory in the old Labor sense, and certainly not anything like even a marginal state of their own. They are offered merely a status of self-rule heavily circumscribed by Israeli prerogatives, and a relationship with the Israelis regulated by Israeli needs of the moment.

Imagine that the Palestinians did everything the Israelis asked in the way of cracking down on terrorists — everything. They would get in return just a small, dependent misshapen territory carved up by Israeli roads and vulnerable to Israeli intervention the first time a kid threw a stone.

This seems to me what the Israelis in command are pursuing. They have wedded the claims of security to the claims of ideology and produced a political configuration that cannot possibly become the basis of the sort of negotiation that the United States encourages and that most people have in mind — including, at least in good cycles, perhaps a majority of Israelis.

The Israelis are commonly thought of as realists in these matters. But realism would require a measure of enlightened cooperation, and the government is now at the point where it is not asking to work out Israeli security on mutually agreed terms but simply to impose Israeli security requirements.

Just two days before the latest suicide bombing, Mr. Netanyahu was publicly celebrating his success in "lowering the level of terrorism" by inducing Palestinians to undertake "restraining moves alongside the actions we take — things which perhaps the public doesn't know of, but of which I am extremely proud." Then the bombs went off, and suddenly Mr. Netanyahu had a long list of new things the Palestinians must immediately do to protect Israelis.

He is right, of course, in making high security demands on the Palestinians. His core demand here is right, too: The Palestinians cannot be allowed to use security cooperation as a lever to induce Israeli bargaining concessions.

The Egyptian and Jordanian leaders — as a close Netanyahu aide, Dore Gold, put it to me last week — did not let violence hover over the negotiating table. Nor should Yasser Arafat.

But it is wildly self-delusional, if it is not just plain cynical, for Israelis to imagine that their own political behavior has no effect on the Palestinian Authority's readiness to restrain both officially condoned and informally generated terrorism.

It also is delusional to think that even the fairest and most enlightened Israeli policy would lift from the Israelis the full curse of Palestinian terrorism. This awful phenomenon has sources beyond the normal political reach. But if normality is a prize that Israel cannot soon expect to win, then surely it can look forward to a diminution of terrorism and to the comforts of international cooperation and sympathy in the struggle against it.

As it is now, the Israeli position on terrorism involves an all-out and, if necessary, lonely struggle in which all tactics are justified. The resolve is to come down hard on Mr. Arafat and other offenders in order to demonstrate that Palestinian depredations have a cost.

Those who do not have to go about every day wondering if their fellow bus passenger is a suicide bomber have an obligation of empathy: Israelis monitor it closely. But an obligation of empathy also runs to Palestinians striving for a political objective — a state — that is considered reasonable and normal in most parts of the world.

At Oslo, Israelis bravely took a long step toward accommodating Palestinian political aspirations. Mr. Arafat subsequently made some but not enough effort to check terrorism. He must deliver. But he will be better able to deliver if he has something to show for it on the political side.

Respectful to a diplomatic fault of Israel's political constrictions, the Clinton administration needs to speak out strongly not only against terrorism but also for a political settlement based on side-by-side Israeli and Palestinian states.

*The Washington Post.*

# The CIA Is Cheating

In the 1980s the considerable prestige of the official document series known as Foreign Relations of the United States suffered a huge blow when a volume on U.S.-Iranian relations of the 1950s came out without mention of American covert activities — something that the whole world already knew about. As a result of that embarrassment, a committee of historians was organized to guide the State Department's responsibilities to truth and scholarship. Much has happened in the decade since. For one thing, the Cold War ended. But, according to the Historical Advisory Committee's latest word, although the department is now systematically declassifying the archives with a "can do" attitude, it continues to fail to meet the statutory requirement to publish historical documentation in 30 years.

The primary cause of delay, says the committee, is the dilemma of meeting the publication mark while ensuring that the volumes are accurate and comprehensive. Within the State Department, fears linger that publication might seriously damage current foreign relations. The agreed balancing test between protection and disclosure "is heavily weighted toward openness" for information 25 to 30 or more years old, the committee reminds.

Its sternest strictures, however, are reserved for the CIA. The agency is slow to take the wraps off its past covert actions. Of 11 such operations it has acknowledged conducting during the Cold War, it has declassified "enough information to delineate our foreign policy" in only one case — British Guiana, where the United States attempted to influence elections. The historical committee itself admits in discomfort that it has "evaded the issue of incomplete and inaccurate compilations" by insisting that prefaces of such volumes confess the lapse.

The result is that a number of document sets now stand in "never-never land" — incomplete, unpublished, hung up between State and CIA even when the facts have been confessed, written up and testified to. "For the editors of the document series to pretend covert actions did not happen makes the volumes and the Department of State the target of ridicule and scorn."

Evidently the CIA can live with a situation in which the State Department is a target of ridicule and scorn. And certainly the withholding of national security information is better than shredding records, something that the CIA has admitted to. But its record is scandalous. It agreed to the terms of living in a new age, and it is cheating.

*— THE WASHINGTON POST*

## Other Comment

### India's System Has Failed

When asked about the fabled "third way" between capitalism and communism, Vaclav Klaus likes to quip that "the 'third way' is the fastest route to the Third World." Since achieving independence in 1947, India has defined itself by a democratic socialism which it fancied struck a balance between the totalitarianism of communism and the "heartlessness" of capitalism. Fifty years later, the result is all too plain to see: a country whose name has become an international synonym for poverty and despair.

In certain quarters, it is popular to attribute India's failures variously to corruption, bad management and flawed implementation. But these problems are less the cause than the by-products of the Indian system.

*— Far Eastern Economic Review (Hong Kong).*

# Unheard Priorities

**By Mary McGrory**

WASHINGTON — Sometimes you wonder why the class acts quit the Senate. You would know more if you had been there on July 22, heard Dale Bumpers's superb speech against the $100 billion space station, seen who was there (no one) and watched him go down fighting.

Arkansas's retiring senior senator, 72, is a brainy liberal with a pungent sense of humor. From the day he came in 1975, he has shown a passionate interest in priorities. He favors spending money on education and health rather than on fancy weapons. He is the Senate's best orator.

He was carefully prepared. He reeled off facts, figures, digressions, specifics, generalizations, talked about his wife, Betty, and her efforts for peace, about children, the Russians, the Pentagon, the ways of Washington.

It was his sixth try on the space station, and he predicted that he would lose again. He gave compelling reasons why he should not.

He cited the opposition of the scientific community. "Unfortunately, they don't have enough political clout to fill a thimble." He quoted the Harvard physicist Nicolaas Bloembergen, who said witheringly that "microgravity is of microimportance."

He explained the futility of his effort: "There is no political price to be exacted against you for favoring something that people know very little about ... We have become so inured to cost overruns, we just simply cannot stop a big project once it is started."

He went on in his pleasant baritone for approximately an hour and 20 minutes. He talked through three presiding officers. Occasionally, Senator Barbara Mikulski of Maryland, NASA's home state champion, looked in to see if he had concluded. She shuffled her papers, then wandered off, sighing.

The senators could have been in their offices following his logic on their closed-circuit television screens. If they were, they were not moved. The vote against his amendment to close the space station was 69 to 31. He got six fewer votes than last year.

The problem is well summarized by author William Greider in a recent Rolling Stone article: "Instead of a robust debate over post-Cold War priorities or skeptical questioning of these fanciful premises, the political elites in both parties have settled into denial and drift."

Mr. Bumpers is not going away mad after 22 years. It's just that he doesn't think that, short of an economic crisis, the Senate will change. He sees no light at the end of the tunnel in its acquiescence to Pentagon extravaganzas.

He believes that if the country had been tuned into the space station debate, they would have been 80-20 on his side. "What does it take?" he mused the other day. Not knowing the answer, he is going home to teach.

*The Washington Post.*

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## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1897: Afghan Raids

SIMLA — The protest of the Indian Government to the Ameer of Afghanistan has already borne fruit. The Ameer has written to the Governor of Jellalabad calling him to task for having allowed Afghan subjects, and particularly soldiers in Afghan pay, to take part in the raids at Shadkadar and Tochi. This action makes it certain that whatever the Ameer may do secretly, he is determined to avoid an open rupture with the Indian Government. A rumor, however, gains ground that the Tirrah tribes are rising and preparing to take the field.

### 1922: Beach Rules

NEW YORK — Long Beach bathers of opposite sex must keep at least six inches apart. The beach patrolmen will walk the beach with tape measures to enforce, according to the latest decree of Chief of Police, John Tracy, of Long Beach. Chief Tracy had wondered for a long time how he could put into effect a rule that would not be too puritanical and which at the same time would take away some of the too alluring qualities of beach life.

### 1947: Scout Fraternity

MOISSON, France — In the name of "Scout brotherhood and no more war," French boys have been secretly harboring a group of seventeen would-be Scouts from Germany at the world Boy Scout Jamboree. Under spontaneous protection from surrounding boys, the German youths got into France from Berlin and the French Zone. They said their name was the "Griffin Patrol" and told a fantastic tale of world youth hopes. They said they were determined to carry on their slogans of international good will to the extreme.

## LANGUAGE

# Is B.C. P.C., or What Year Is It Anyway?

By William Safire

WASHINGTON — My claim to fame? Responsibility for the first mistake made by an earthling on an extraterrestrial body.

As a White House speechwriter, I had a hand in writing the text on the plaque marking the spot where astronauts first set foot on the moon. To slip in an unobtrusive reference to God, I wrote, "July 1969 A.D." When some alien from a UFO lands there in a few thousand years, it will surely know that the initials stand for the Latin *Anno Domini* and get the point that our first explorers feared only God.

My mistake was putting the *A.D.* after the date. Correct dating usage is to put *B.C.*, "before Christ," after the year and *A.D.*, "in the year of our Lord," before the year.

I may have goofed in more ways than one. In a recent column about what to call the Bible, I posed the question: Should it be *B.C.* or — in deference to Muslims, Jews, and other non-Christians — *B.C.E.*, standing for "before the Common Era"? In the same ecumenical way, the question arises: Should *A.D.* or *C.E.*, "Common Era," be used to signify the time since Jesus of Nazareth was born (in 4 B.C., for reasons of calendar error)?

What a mail pull. From Professor Harold Bloom of Yale, my Bronx High School of Science classmate whose landmark book "The Western Canon" booms across the Kulturkampf battlefields: "Every scholar I know uses *B.C.E.* and shuns *A.D.*"

The shunning of *A.D.* goes clear up to the Supreme Court. Adena Berkowitz, who has both a law degree and a doctorate in Hebrew literature, applied to practice before the court. "In the application," she wrote, "I was asked if I wished '*in the year of our Lord*' to be included as part of the date listed on the certificate or omitted." She chose to omit: "Given the multicultural society that we live in, the traditional Jewish designations — *B.C.E.* and *C.E.* — cast a wider net of inclusion, if I may be so politically correct."

That application form reflects a new sensitivity in Washington; a court spokesman said that the choice is only 11 months old. By nearly 2 to 1, other scholars and some members of the clergy agreed with Bloom and Berkowitz.

**'The year of our Lord' invites the query 'Whose lord?' and we're in an argument we don't need.**

"*Christians could* be a little less triumphal," noted the Reverend Charles Atcheson, rector of All Saints Church in Waterloo, Belgium. "Yes, the world has largely accepted the Christian calendar scheme that begins, a little inaccurately, with the birth of Jesus, but calling it '*the common era*' is not a great loss and could be taken as a sign of acceptance of others. It will not be lost on anyone what happened shortly before the year 1."

Disagreement is sharp. "It is one thing to deny the divinity of Christ," observed Michael McGonnigal of Silver Spring, Maryland. "It is quite another to deny His historical existence, which is what is implied by the superfluous switch from the traditional *B.C.* to the P.C. *B.C.E.*"

A Muslim view from Khosrow Foroughi, of Cranbury, New Jersey: "Jews and Muslims have their own calendars. Muslims have a lunar calendar reckoned from A.D. 622, the day after the Hegira, or flight of the Prophet Mohammed from Mecca to Medina. The Jewish calendar is also a lunar one and is the official calendar of the state of Israel. (This year is 5757.) The Christian or Gregorian calendar has become the second calendar in most non-Christian countries, and as this is the Christian calendar, I cannot see why '*before Christ*' and '*in the year of our Lord*' would be objectionable."

Here's my take: I'll stick with *B.C.* because *Christ*, in American usage, refers directly to Jesus of Nazareth as if it were his last name and not a title conferring Messiah-hood. For non-Christians to knock themselves out avoiding the word *Christ*, when it so clearly refers to a person from whose birth we date our secular calendar's count, seems unduly strained and almost intolerant.

*A.D.* is another story. *Dominus* means "lord," and when the lord referred to is Jesus, not God, a religious statement is made. Thus, "*the year of our Lord*" invites the query "Whose lord?" and we're in an argument we don't need.

Besides, if the year is not *B.C.*, who needs a demarcation of the year? If you're writing about the birth of Jesus, write "4 *B.C.*"; if you're writing about the year that *B.C.E.* was first used by Lady Katie Magnus, write "1881" without emendation.

I'm for giving John Glenn, at 75, his wish to go to the moon, provided he takes an eraser and gets to work on that plaque.

*New York Times Service*

## BOOKS

**LAST DAYS IN CLOUD CUCKOOLAND: Dispatches from White Africa**

*By Graham Boynton. 289 pages. $24. Random House.*

Reviewed by Jonathan Yardley

BORN in England not long after the end of World War II, Graham Boynton moved with his parents to Rhodesia in 1951 and soon came to regard himself as a child of that country: "Whatever my birthplace, it was in Africa that my identity was forged; somewhere amid the rapid dismemberment of colonial rule, the wars and the triumph of black nationalism I became a white African, and will remain so for the rest of my life wherever I live."

But though those feelings have not changed, Africa most certainly has; when Boynton returned to Rhodesia, now Zimbabwe, in 1990, "I had become a foreign guest, and welcome though I was, I found myself lurking self-consciously on the fringes of a society that had once been my own."

The passage between these two Africas — one in which whites not merely felt comfortable but were firmly in command, another in which they were on the fringes, their power rapidly waning — is the central story of "Last Days in Cloud Cuckooland." Boynton takes his title from an offhand remark made by Margaret Thatcher in 1987, when asked if Nelson Mandela's African National Congress might someday take over South Africa. "Anyone who thinks the ANC is going to run the government of South Africa," she said, "is living in Cloud Cuckooland." As Boynton adds, "To be fair to Mrs. Thatcher, any kind of negotiated settlement in South Africa had seemed far-fetched in the mid-1980s, and the idea that the Afrikaners would release Nelson Mandela from prison had been too ludicrous to contemplate."

Yet in barely a decade the African landscape has changed so dramatically that everything Thatcher mocked, and much more, has become reality.

To the examination of this strange phenomenon Boynton brings an interesting set of bona fides. On the one hand his record of support for black African political power and independence is strong; he was expelled from South Africa in 1975 as an "undesirable alien" because of his sympathy for anti-apartheid groups, and he was friendly with many of their leaders, white and black alike. But as a near-native white African he also has an intimate understanding of the powerful emotions the continent stirs in others of that ilk, and he is able to write about the feeling that it is "theirs" with sympathy as well as dispassion.

As his subtitle suggests, Boynton's focus is less on black Africa's triumph than on white Africa's defeat. The image that dominates his account will be familiar to most readers: "three Boers lying dead on a dusty African street," killed one day in 1994 by a black policeman, "a single picture that signifies the end of white resistance, the end of white rule, on the African continent." As he quite correctly notes, "It is a small and pathetic vignette to mark so momentous an event, and yet it is perfectly appropriate — a dramatic and pointless flourish that will be remembered more for its symbolism than for its real significance. By the time [these men] had sacrificed themselves, the new South Africa was already in place."

There is no false optimism in this fine book. Though much of it is lively reading, even entertaining, "Last Days in Cloud Cuckooland" paints a grim portrait in which precious little hope is offered. There is no reason to believe that any other honest account would reach significantly different conclusions.

*Jonathan Yardley is on the staff of The Washington Post.*

## BRIDGE

By Alan Truscott

WITH one round of qualifying play remaining at the World Junior Team Championships in Hamilton, Ontario, the United States teams seemed headed for elimination. The leaders, with four teams to advance to semifinal playoffs, were: 1st Russia 314; 2d Denmark 290; 3d Norway 288; 4th Canada (Red) 286.5; 5th China 275; 6th United States II 267. The United States I team and the Canada (Blue) team were out of contention.

The last time these championships were played, the Danish team won the bronze medal, and two years earlier, playing in its own country, was eliminated by the remarkable margin of half an imp. This time the Danes are challenging again, and Morten Lund Madsen, the younger member of a brother-brother partnership, displayed brilliant defense on the diagramed deal played against Brazil. As West, he made five well-judged moves.

NORTH (D)
♠ A Q 7 6 5
♡ A K 4
◇ A Q 4
♣ 10 6

WEST
♠ K J 4
♡ 8 7 6
◇ K 10 6 2
♣ A Q 3

EAST
♠ 10 9 8 3
♡ J 10 9 5
◇ 7
♣ 8 7 4 2

SOUTH
♠ 2
♡ Q 3 2
◇ J 9 8 5 4
♣ K J 9 5

North and South were vulnerable.

The bidding:

| North | East | South | West |
|---|---|---|---|
| 1 ♠ | Pass | 1 N.T. | Pass |
| 2 N.T. | Pass | 3 N.T. | Pass |
| Pass | Pass | | |

West led the heart eight.

First, he chose a passive heart lead against three no-trump, giving nothing away. South won in dummy with the king and played the ace and queen of diamonds. West allowed this to win, his second good move. The club ten was led, and West again ducked, his third good move.

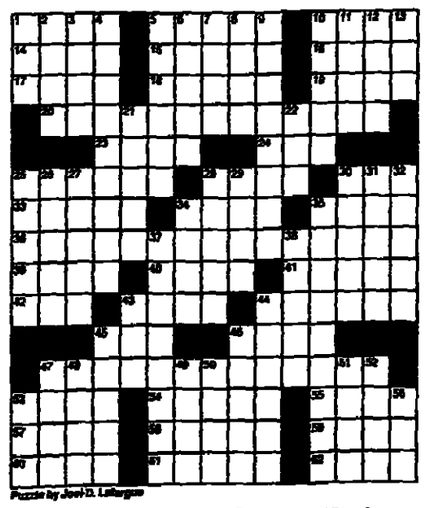
Another club lead went to the queen, and West played another heart, South won in his hand, and it might have appeared that he was about to prevail by finessing in spades, cashing the major-suit aces, and exiting with a spade. This did not succeed, because Madsen had made his fourth and fifth good plays by unblocking the jack and king. There was no way to give him the lead, and the game failed.

Denmark gained 12 imps, for in the replay the lead was a diamond and South had an easy time. The deal was reported by the veteran Danish journalist Ib Lundby, who analyzed an alternative play for the declarer. South could try leading the diamond queen from dummy at the second trick. West must duck, and duck again if the club ten is led. But if South leads a club to the nine, which would be a crucial entry to his hand, West must win with the queen and later duck the club ten.

## CROSSWORD

**ACROSS**
1 Cleopatra's love — Antony
5 Dressed like Dracula
10 Frozen waffle brand
14 Controversial orchard spray
15 Open-mouthed
16 — of Arc
17 Coffee, slangily
18 Half note
19 Roof's edge
20 Post-Derby interview spot
22 Camel rival
24 L-1011, e.g.
26 Sign after Aquarius
28 Land bordered by the Mekong
30 Beanie
33 With 54-Across, a Revolutionary hero
34 Algebra or trig
35 Scarlett's estate
36 1965 Gary Lewis and the Playboys hit
39 Four-star review
40 Andy of the comics
41 Otherworldly
42 Neighbor of Wyo.
43 Raps.' opponents
44 Parts of acts
46 The "L" of L.A.
46 Dullsville
47 Flabbergast
53 Freq. quotation attribution
54 See 33-Across
56 Mormon state
57 — deaf
58 For rent
59 Recipe directive
60 Washstand vessel
61 Mild oath
62 Many millennia

**DOWN**
1 Capt.'s better
2 "There oughta be —!"
3 Sitarist Shankar
4 Engine housing
5 Relief carvings
6 "If I Had — Like You" (1925 hit)
7 Opposites of a 39-Across
8 Many a Cecil B. De Mille film
9 Large bottle
10 Tape deck button
11 Hockey score
12 Contributed
13 "My — and Only"
21 Immensely
22 Legal matter
23 — dish (lab item)
25 "— to Be You"
27 Hindu Trinity member
28 Reading fights
29 Sitting on
30 Stone mound
31 70's sitcom
32 Capitol Hill golfers
34 Sir's partner
35 Branch office?
37 Emulate Oksana Baiul
38 Stick-on
43 Bespectacled dwarf
44 Viewpoints
45 Hardly a partygoer
46 Animal variety
47 Comprehend
48 — of the above
49 Whip
50 Stewpot
51 Director Preminger
52 Excedrin target
53 Had a hero?
56 Action film "48 —"



Puzzle by Joel D. Lallgrue

Solution to Puzzle of Aug. 15

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| H | A | P | S | | G | A | R | B | | | X | M | A | S |
| I | C | E | T | | O | N | E | B | | M | O | O | C | H |
| T | U | N | A | | D | O | N | Q | U | I | X | O | T | E |
| S | T | A | G | N | A | N | T | | S | N | O | R | E | R |
| M | A | L | E | Y | | | | T | U | X | E | D | O | |
| O | B | T | R | U | D | E | S | | A | T | O | | | |
| M | O | I | | K | O | R | A | N | | E | X | I | T | |
| E | Y | E | S | | G | I | J | O | E | | O | L | E | O |
| | E | S | Q | U | I | | C | A | P | R | A | | L | A | P |
| | | U | P | S | | | K | E | E | P | S | A | K | E |
| M | A | D | E | I | T | | | | | O | A | T | E | N |
| U | P | H | E | R | E | | T | R | I | P | L | E | T | S |
| F | R | O | Z | E | N | F | O | O | D | | | L | A | T | H |
| F | I | L | E | S | | E | M | M | Y | | O | S | L | O |
| S | L | E | D | | | Z | E | A | L | | | W | E | E | P |

## INTERNATIONAL

# ISRAEL: *3-Way Talks Are Crucial*

Continued from Page 1

by persuading local banks to grant the Authority tens of millions of dollars in new loans, creating what Salam Fayyad, the International Monetary Fund's representative in the West Bank and Gaza, described as "situation that is quite worrying."

Israel has said it will begin to resume the payments only if the Palestinians begin to mount the crackdown on Islamic militants that Prime Minister Benjamin Netanyahu has demanded since the July 30 attack, and aides to Mr. Netanyahu said were holding out hope Sunday that Palestinian officials might present evidence at the meeting to show that such an operation had begun.

"We have reason to believe that something concrete will come out of it, but we just don't know for sure," said David Bar-Illan, the prime minister's communications director. American officials have said they do not intend to comment publicly about the information shared in such sessions, and it appeared unlikely that any of the participants would do so either.

It was at the urging of Dennis Ross, President Bill Clinton's special envoy to the Middle East, that the Israelis and Palestinians agreed last week to use the three-way forum to share any information they have gathered about the bombing and about the measures each side has taken in response. By giving an American intelligence officer an arbiter's role, the approach is intended to halt at least the bitter debate that has raged between Israelis and Palestinians since the July 30 attack about whether the Palestinian Authority is making good on its commitment to combat terrorist violence.

Both in public and private, Mr. Ross has told the Palestinians that the United States believes that more should be done. But he also raised strong objections to Israel's decision to resort to economic sanctions, and the State Department spokesman, James Rubin, said Friday that the United States was "disappointed every day that there is not a decision to provide the Palestinian Authority these funds because we believe the decision to withhold them is counterproductive."

In addition to the CIA officer, whose identity is always withheld by American officials, those attending Sunday night's meeting in the West Bank town of Ramallah were representatives of the Israeli domestic intelligence service, Shin Bet, whom Israeli officials have similarly declined to identify. The Palestinian side was to be represented by Mohammed Dahlan and Jibril Rajoub, who head the Palestinian Preventive Security force in Gaza and the West Bank, respectively.

In a sign that the two sides have resumed some security cooperation, Israeli officials said that Mr. Netanyahu had on Saturday dispatched an envoy, Yitzhak Molho, to thank Mr. Arafat in person for the help provided by Palestinian forces over the weekend in tracking down the killers of an Israeli taxi driver. The driver disappeared Thursday, and after close coordination between the two sides, his body was discovered by Palestinian police Friday in a ravine near the Palestinian-ruled West Bank city of Nablus.

By Saturday afternoon, three young Palestinian men who said their plan had been merely to steal the man's car had been arrested, tried and convicted of murder in a Palestinian court. All were sentenced to prison, two of them to life terms.

But as they have for months, the Israelis and the Palestinians have continued all weekend mostly to display the mutual mistrust that has plunged their partnership into rancor and recrimination since the July 30 bombing.

Indeed, some Israeli officials suggested darkly Sunday that, far from a gesture of goodwill, the swiftness shown by the Palestinians in convicting and sentencing those it held responsible for the slaying of the taxi driver may have been motivated mostly by a desire to prevent what surely would have been an Israeli request to extradite the men for trial in an Israeli court.

For now, Mr. Bar-Illan said Sunday, the government is withholding judgment about the Palestinians' handling of the case. The Israeli official noted that some of the Palestinians sentenced to prison in the past after being convicted of crimes against Israelis have managed soon afterwards to escape.

What was most important, he said, is that the Palestinians employ the same kind of dispatch in reining in the Islamic extremists whom Israel has accused of carrying out acts of terrorism. Israel's continuing suspension of the huge payments owed to the Palestinians is a clear violation of the peace accords signed by the two sides, and Mr. Arafat condemned it over the weekend as an attempt "to steal money" that "belongs to the Palestinian people."

## BRIEFLY

### Kabila to Mediate in Conflict

KINSHASA, Congo — President Laurent Kabila said he will try to mediate an end to the war in the neighboring Republic of Congo, where fighting between rival factions has killed hundreds of people since June and crowded this city with refugees.

State-run television said Mr. Kabila's decision was the result of a meeting Saturday between Mr. Kabila and President Pascal Lissouba of the Republic of Congo. Since June 5, Mr. Lissouba's forces have battling with the militiamen loyal to that country's former military ruler, General Denis Sassou-Nguesso.

Mr. Lissouba was quoted by press reports as saying Mr. Kabila's government in Kinshasa was in the best position to be a mediator in the conflict given its proximity to the warring leaders in Brazzaville, just across the Congo River.

Mr. Kabila said he supported the idea of an African intervention force playing a role in bringing peace to the neighboring country. *(AP)*

### 15 More Algerians Murdered

PARIS — Suspected Muslim guerrillas have killed 15 people, including young children, in the latest attacks on civilians in Algeria, Algerian newspapers reported.

"Fifteen people, including six children and two women, were victims of a massacre near Douera, in the Blida area on Thursday," the newspaper Al Khabar said Saturday.

According to another newspaper, Le Matin, the children were between six months and 3 years old.

In the Blida province south of Algiers, which is considered to be a stronghold of Muslim extremists, dozens of civilians have been killed in recent months.

According to independent sources, an estimated 440 people have been killed in the past four weeks by rebels in different areas of the country. *(Reuters)*

### Brother of Mexican Aide Slain

MEXICO CITY — A brother of Treasury Secretary Guillermo Ortiz has been slain in front of his house in what police called a frustrated robbery attempt.

Alejandro Ortiz and his wife had returned Saturday to their house in an exclusive Mexico City neighborhood, a caretaker said, when three men approached Mr. Ortiz, fired at least three shots from close range and fled.

The shooting was the third murder of someone linked to the Mexican Finance Ministry in five weeks. First, a ministry official was killed after a high-speed car chase through the streets of the capital. And earlier Saturday, a government budget director, Jorge Banuelos Orta, 51, was clubbed to death and stuffed into the trunk of his car, the attorney-general's office for the capital said. *(AP)*

### Pakistani Admits to U.S. Killing

KARACHI, Pakistan — A suspected car thief has admitted to being involved in a shoot-out that killed two U.S. government workers in 1995, Karachi's police chief said.

Arif Yamin, 24, told the police while being interrogated on the theft charge that he worked with the gunmen who had killed two Americans, Jackie van Landingham and Gary Durell. He said he had provided cover for the gunmen during the attack, the police chief, Malik Mohammed Iqbal, said Saturday, adding that Mr. Yamin had disclosed the names of seven other accomplices whom police plan to arrest soon.

In the attack, two gunmen sprayed bullets at a van carrying three officials to work at the American Consulate here. *(AP)*

### For the Record

**The final two victims of TWA Flight 800** have been identified through DNA testing, a spokeswoman for the Suffolk County Medical Examiner said. All 230 people on board the plane died. *(AP)*

# HAMAS: *Islamic Fundamentalist Group Fills Political Vacuum*

Continued from Page 1

al Qassem Brigades, is suspected of orchestrating the Jerusalem market bombing last month in which two kamikaze commandos blew themselves up, killing 14 other people. Hamas leaders deny any role in the bombing. Israeli investigators, after examining the shredded corpses of the killers and sifting through every other scrap of evidence, have still not determined who the attackers were or where they came from.

As Mr. Netanyahu and Mr. Arafat quarrel about what should be done in the wake of the bombing to reconcile their peoples, Hamas is quietly expanding its parameters of sympathy through a network of charities that aims to soften the misery of Gaza's poorest inhabitants.

The Islamic fundamentalist group, founded more than a decade ago as a militant faction of Egypt's Muslim Brotherhood, has cleverly exploited the hostility that has been brewing in almost equal measure against Israel and Mr. Arafat's entourage. Any attempt to crack down on Hamas and uproot its underground military cells, said to number no more than 100 fighters, carries a serious risk of a public backlash that could undermine Mr. Arafat's rule, according to Palestinian and Israeli analysts.

Mr. Netanyahu has demanded that Mr. Arafat embark on mass arrests of all suspects and dismantle the terrorist infrastructure to prove he and the Authority are showing full cooperation in security matters. Until that happens, Mr. Netanyahu says he will not lift the sanctions that block all Palestinian workers from entering Israel and prevent the transfer of $40 million in Palestinian tax revenues to Mr. Arafat's administration.

Mr. Arafat angrily rejects following what he calls Mr. Netanyahu's "dictates." He insists sanctions must be removed first, because in the absence of knowing the identity of the bombers, he claims Palestinians are being subjected to unjust collective punishment. But Mr. Arafat's real concern, Palestinian officials say, is fear about generating sympathy for Hamas by caving in to Israeli demands and incarcerating the Islamist militants.

Palestinian officials say Mr. Arafat himself has warned the Israelis that some of the Authority's officers would rebel if he ordered them to wage an all-out crackdown on Hamas activities. Mr. Netanyahu has refused to accept this argument. His communications director, David Bar Illan, says what Mr. Arafat is defending amounts to "appeasement of terrorism."

But Israeli security services have warned Mr. Netanyahu that Mr. Arafat's predicament poses dangers as well for Israel's own interests. As much as the Israeli prime minister may loathe the Palestinian leader, Israeli security officers say an enfeebled Mr. Arafat could open the door for Hamas to achieve political dominance in Gaza and parts of the West Bank.

"If Arafat moves against us, he would have to confront the anger of hundreds of thousands of people," Mr. Rantissi said during an interview at an Islamic camp under his supervision. "Nobody can arrest all of our supporters. I do not believe Arafat is foolish enough to respond to these illogical pressures from the Israelis and the Americans. "Arafat has yielded before to such pressures and it produced no political results. When they tried to weaken Hamas last year, Israel only took advantage of the situation. I believe Arafat is wiser now because he finally understands the true character of the Netanyahu government."

After a series of suicide bombings last year killed 57 people in Israel, Palestinian forces responded to pressure from Shimon Peres's Labor government and rounded up more than 900 Hamas and Islamic Jihad activists. They raided many Islamic charities and social organizations, confiscating computer disks and files. All but 150 of the detainees have been released.

But Hamas has recovered from that blow. And as disenchantment has grown with Israel's punitive measures and the abundant signs of corruption among Mr. Arafat's ruling clique, many Gaza residents have found new appeal in Hamas's blend of militancy and altruism.

Ironically, Israel encouraged the rise of Hamas during the 1980s to build up the Islamic fundamentalists as a rival force that would undermine the Palestine Liberation Organization's influence in Gaza and the West Bank. But Israel's support ended quickly when Hamas began funding and carrying out guerrilla actions against Israel's military occupation.

When the Oslo peace accords were signed, Hamas's influence diminished as Palestinians looked toward Mr. Arafat to guide them toward prosperity and statehood. Hamas's fortunes began to revive, however, as Palestinians grew restless and began to lose faith in the peace dividend that never came.

United Nations officials say per capita income in Gaza has fallen since the Oslo peace treaty from $1,700 to around $1,300.


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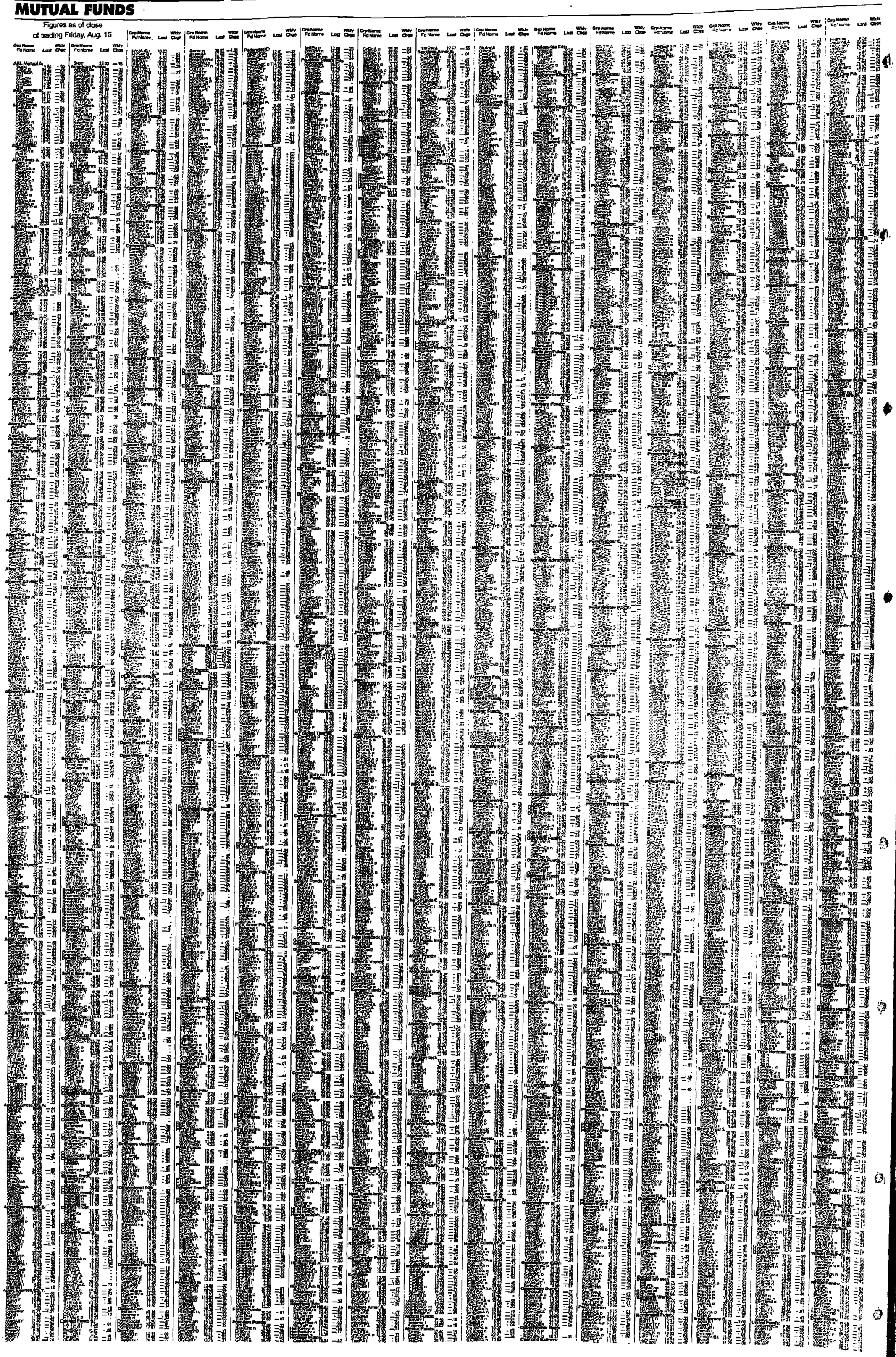


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THE WORLD'S DAILY NEWSPAPER

# MUTUAL FUNDS

Figures as of close of trading Friday, Aug. 15



On Playing Hardball. With Style

Germany's

CURRENCY RATES

# On Playing Hardball, With Style

## *LVMH's Arnault Puts Art Into His Business*

By Jennifer Steinhauer
*New York Times Service*

NEW YORK — If he were the head of an American company, many business school students would aspire to be him. As it stands, many of them probably do not even know his name.

Still fewer are familiar with the complex stories of how Bernard Arnault took control of an international chain of luxury goods stores, cowing his rivals in the process; got in the way of a merger of two British beverage giants; inserted himself into an ugly family battle for a famous French wine legacy, and weighed in on whether feathers and fake blood were proper ingredients in haute couture.

And that was just this year.

Mr. Arnault is the chief executive of LVMH Moet Hennessy Louis Vuitton SA, the largest luxury products company in the world. Its brands range from Christian Dior to Moet & Chandon, from Louis Vuitton to Veuve Clicquot, to name just a few units of the $6 billion company.

As conversant in complicated balance-sheet maneuvers as he is in the nuances of French fashion, Mr. Arnault, 48, has built his business largely by mastering two worlds that few executives straddle comfortably. There are the products — and all the silk, scents, celebrities and advertising that go into them — and then there are the hardball negotiations that make the products his.

Consider the tie test.

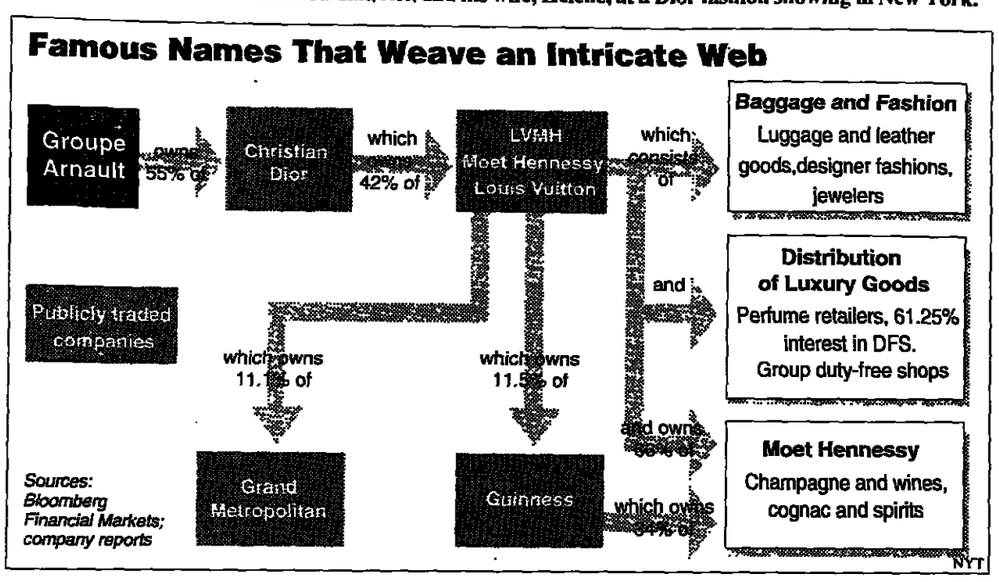
When interviewing prospective LVMH executives, Mr. Arnault takes the candidates into a room with 100 neckties, some of them Dior, some of them from competitors — some of them, at least in Mr. Arnault's opinion, downright gauche. They are told to choose 10.

"It is very interesting," Mr. Arnault said. "Some choose 10 ties that are really the worst. If he does that, then we move on to the scarves. If he is bad with the scarves, well, then he is really in a difficult position."

"It is like when you send someone to listen to a concerto and they don't feel anything," said Mr. Arnault, whose mother was a concert pianist and who still practices Chopin himself.



Bill Cunningham/The New York Times
Bernard Arnault, with the model Iman, left, and his wife, Helene, at a Dior fashion showing in New York.




"It is as if they can't tell the difference between the Berlin Philharmonic and the orchestra of Columbus, Ohio."

"What is very important is the image of our brands," he said. "Our products are about making people dream. We take it really seriously."

Among the places Mr. Arnault has taken his dreams is Asia, where he has heavily marketed his spirits businesses for years. In 1996, LVMH bought Celine, the French leather goods company, in part because he was impressed with the locations of its stores in Japan. Growth plans for Sephora, too, in large part focus on the Pacific Rim.

In all this, he is a pioneer among French executives. "More and more the French are trying to get to Asia, but they still have a pathetically small presence there," said Paul Horne, chief international economist in Paris for Smith Barney. "It is a long way away, and they don't speak French there."

Mr. Arnault's role as renegade entrepreneur has its contradictions. He has breathed life into French luxury brands, but installs outsiders to manage many of them. He raids American-style, but he hews to the French executive's way of life, in which the arts and leisure are as important as business.

"He is 100 percent capitalist in a country that has never accepted capitalism," said one person who worked for several years with Mr. Arnault in Paris and spoke on the condition of anonymity. "And he has rubbed everybody in the wrong way. He comes across as a guy who is torn over being nice and being awful."

Given the juicy names in his portfolio and the controversial ways he acquired many of them — his current attempt to out-duel Guinness and Grand Met in reshaping Europe's wine and spirits industry is only his latest obdurate move — the fact that Mr. Arnault is largely unknown in the United States reflects just how differently the French and Americans view their business elite.

In the United States, Bill Gates manages in certain circles to exude the sex

See POSH, Page 13

# Kohl Reaffirms Vow To Create Stable Euro

## *German Chancellor Sidesteps Calls for Single-Currency Delay*

By John Schmid
*International Herald Tribune*

FRANKFURT — Chancellor Helmut Kohl, who has staked his political survival on the achievement of a single European currency, vowed on Sunday that he would "not sacrifice" the stability of the proposed euro to attain monetary union.

"We do not want a soft euro, and I will not be party to this kind of policy," Mr. Kohl said Sunday in a television interview from his lakeside holiday home in Austria.

Mr. Kohl's carefully phrased remarks reflect mounting pressure on him to reassure Germans that their new currency will not be soft while sidestepping the politically explosive debate over a delay of the project. In the past, Mr. Kohl has said postponement would be fatal to the dream of a currency union.

The comments appeared aimed at Edmund Stoiber, the Bavarian state prime minister, who repeatedly has insisted on a two-year delay of the currency's planned launch on Jan. 1, 1999 if Germany or other nations overshoot the Maastricht treaty's budget deficit benchmark of 3 percent of gross domestic product.

"If Germany and France miss the criteria, then a currency union at the planned time is not possible," said Mr. Stoiber, according to an interview in Saturday's edition of the daily Bild Zeitung. Mr. Stoiber is a senior member of the conservative Christian Social Union party, which is part of Mr. Kohl's coalition.

Significantly, Mr. Kohl did not directly mention either the treaty's budget criteria or its timetable. Calling the "stability" of the euro his first priority, Mr. Kohl refused to be drawn into the controversy over whether the budget criteria or the timetable deserved top priority.

"Those who believe that Helmut Kohl will give up his politics because of enthusiasm for Europe, that the euro is the most important thing and stability is second or third most important, they are fooling themselves," he said, adding: "That is a price I will not pay."

The subtle rhetorical shift by Mr. Kohl, who in the past has maintained that Germany could simultaneously adhere to both the timetable and the budget guidelines, coincided with new indications that Germany could not keep its deficit within the treaty's limits. A senior Bundesbank official warned last week of an unplanned gap of 10 billion Deutsche marks ($5.43 billion) in the 1997 budget.

Mr. Kohl's remarks, however, do not appear to represent a policy shift for one of Europe's most ardent integrationists. Mr. Kohl's foreign minister, Klaus Kinkel, adhered Sunday to the government's standard line, predicting that the single currency would start in 1999 and that the "stability criteria would be strictly observed."

"No one should be in any doubt," Mr. Kinkel said. "We Germans cannot come under the suspicion that we want to bail out." Hitting back at Mr. Stoiber, Mr. Kinkel added: "Whoever tries to cast doubt on the timely start of the euro is harming the German economy and the German people who are hoping for work."

In the interview on Sunday, Mr. Kohl supported a proposal to reduce Germany's payments to the European Union. "The current payment level from Germany is too high, that's undisputed. And we must work to bring down this sum," Mr. Kohl said.

Asked if he would be able to push through a reduction in payments with Germany's EU partners, Mr. Kohl replied: "We must try, I'm not alone. But I've been able to push through many things. I hope very much that we move in this direction."

On the stalled efforts of Parliament to pass a comprehensive tax reform, Mr. Kohl said he was willing to scale back his proposals in order to find a compromise with the opposition Social Democrats. The Social Democrats already have blocked Mr. Kohl's tax reform package once this summer.

"I can say very clearly, we are willing to compromise," he said.

German newspapers have reported that Mr. Kohl was considering cutting 15 billion DM from Germans' tax bills in 1998, only half the sum originally proposed.

### ■ SPD Welcomes Kohl's Tax Plan

The Social Democrats' leader, Oskar Lafontaine, gave a guarded welcome to Mr. Kohl's new tax plans, Reuters reported Sunday from Bonn.

"It is good that the coalition is pulling its previous tax plans out of circulation. These plans were socially unjust and were not a sound basis for negotiations," Mr. Lafontaine told the daily Bild Zeitung.

# Germany's Rate Game Gets Serious: Will the Bundesbank Pull the Trigger?

By Carl Gewirtz
*International Herald Tribune*

PARIS — Inevitably in poker, there comes a time to put up or shut up.

And for Germany's central bank, which has played a spectacularly canny game with the foreign-exchange market, that time has arrived.

The Bundesbank will have two opportunities this week to carry through on its threat to raise interest rates to underpin the Deutsche mark. But analysts say that an increase in interest rates is unlikely because such a move could trigger an ugly sell-off in the German bond market.

On Tuesday, the Bundesbank is due to announce whether its weekly allocation of funds to banks will be at an unchanged fixed rate, or at a variable rate — suggesting a desire to see its key money-market rate nudge above 3 percent, where it has been fixed for the past year.

On Thursday, the full Bundesbank council meets after its summer recess, giving it an opportunity to spell out its policy intentions.

In the absence of immediate action, market watchers were looking for a final hurrah to catapult the dollar above the level of 1.90 DM.

The suggestion that a policy change could be in the offing has arrested the dollar's sharp advance and driven it down. After setting an eight-year high at 1.8905 DM early this month, just below the psychologically important 1.90 DM level, the dollar has retreated, losing all the gains of the past month and ending last week at 1.8204 DM.

But the likelihood that the Bundesbank would carry out its threat this week, leading analysts said, was low, not least because the dollar has declined.

Nevertheless, the mere rattling of its interest-rate weapon, analysts agreed, suggested that German rates would rise sooner than had generally been expected — meaning sometime this year rather than in 1998.

"The Bundesbank's noisy campaign to convince the market it might raise rates makes it harder for the dollar to rise," said Ravi Bulchandani at Morgan Stanley.

"But I still think that the dollar can overcome this threat for another run at the 1.90 level and beyond."

John Lipsky at Chase Manhattan, noting the still very wide interest rate advantage in the dollar's favor and data pointing to continuing low U.S. inflation, said that "the environment favorable to further dollar strength remains intact."

Avinash Persaud at J.P. Morgan & Co. was wary that the dollar might be close to topping out, but even he expected to see the dollar above 1.90 DM before the long-term rally ends.

A major constraint on the Bundesbank in following through on its threat to raise interest rates is the interaction between the effect on the exchange rate and the possible impact on the German bond market.

**Germany's central bank will have two opportunities this week to carry through on its threat to raise interest rates to underpin the Deutsche mark. But analysts say that an increase in interest rates is unlikely.**

Among the major countries, Germany stands out as having the highest penetration of nonresidents holding government debt. Analysts at Union Bank of Switzerland estimate that 47 percent of tradable public-debt securities are held by foreigners.

This compares to 35 percent in the hands of nonresidents in the U.S. market, 10 percent in France and virtually zero in Japan.

By definition, foreign holders are more fickle than domestic investors. They are extremely sensitive to developments in the foreign-exchange market.

There is always the risk that even long-term foreign investors pursuing a policy of portfolio diversification could lose confidence in an ever-weakening mark and its planned replacement, the euro. At that point they might abandon the bond market.

Any move on interest rates aimed at stabilizing the mark and comforting long-term investors about the currency runs the risk of upsetting players of the yield curve.

This is because the distribution of bond holdings is unnaturally skewed. German retail investors, the traditional backbone of the market, have been driven away by the near record-low return currently available and by distrust of the euro that is scheduled to replace the mark at the start of 1999.

The bulk of the holdings, both foreign and domestic, are thought to be in the hands of financial institutions playing the yield curve — borrowing at the 3 percent securities repurchase agreement rate, or repo rate, to buy 10-year government paper yielding 5.5 percent.

Any change in this configuration runs the risk of causing a sell-off in the bond market.

Although the Bundesbank's primary objective is maintaining price stability, which it defines as inflation of 2 percent, it could not be indifferent to developments in the bond market, said Thomas Mayer at Goldman, Sachs & Co. in Frankfurt.

That is because a sell-off in bonds that drives up yields would not only push up the government's financing costs but would also put at risk the economic recovery just getting under way.

Mr. Mayer argued that an increase in German rates was already overdue. Looking at current economic conditions to assess the appropriate monetary policy, he said, "is equivalent to driving a car looking in the rear-view mirror. Monetary policy operates with a very long lag, what you do now affects growth one year later and inflation two to three years later."

Nevertheless, he added, "I don't think the Bundesbank is ready to pull the trigger."

He expects rates to increase this year, likely by early autumn, but not this week.

When the central bank does move, Mr. Mayer said he expected "a risk of a significant shakeout in the bond market." The Bundesbank, he said, had a reputation of moving rates aggressively rather than gradually.

But the only way to avoid a collapse in the bond market, he said, would be for the bank to move gradually by using a mixed formula in setting its money-market rate — combining an unchanged fixed rate of 3 percent on its standard 14-day allocation, and a variable rate on longer-dated allocations.

This would keep the actual cost of money unchanged and give the curve players plenty of time to adjust to upcoming changes, he said.

### ■ Europe Braces for the Bears

European stocks appeared to be set for fresh pain Monday as the shock of last week's historic 3 percent Wall Street tumble was absorbed, analysts said, according to a Reuters report from London.

"The market is definitely going to open down, around one percent," said Olivier Blitz, head of equity sales at IFF Bourse in Paris.

# CURRENCY RATES

Aug. 15

### Cross Rates

| | $ | £ | DM | FF | Lira | DFl | BF | SF | Yen | C$ | Peseta |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 2.0758 | 2.3075 | 1.1364 | 0.3340 | 0.11564 | — | 5.454 | 1.3657 | 1.7475 | 1.4925 | 1.3318 |
| Brussels | 37.995 | 42.25 | 20.651 | 6.127 | 2.1116 | 18.33 | — | 25.01 | 31.994 | 27.295 | 24.4775 |
| Frankfurt | 1.8422 | 2.041 | — | 0.2966 | 0.10256 | 0.5809 | 4.9435 | 1.2121 | 1.5505 | 1.3249 | 1.1884 |
| London (a) | 1.4107 | — | 2.9075 | 9.8645 | 2.858688 | 2.2549 | 63.4403 | 2.4165 | 186.473 | 2.3573 | 247.959 |
| Madrid | 155.247 | 245.065 | 84.534 | 25.677 | 8.647 | 75.844 | 4.9935 | 102.494 | 133.139 | 113.753 | — |
| Milan | 1,811.42 | 2,663.87 | 979.20 | 290.78 | — | 868.68 | 47.431 | 1,188.75 | 15.573 | 1,330.49 | 11.566 |
| New York (b) | — | 1.6075 | 1.8204 | 0.4425 | 1.79100 | 1.2555 | 29.69 | 1.9565 | 117.555 | 1.2521 | 155.34 |
| Paris | 6.1517 | 9.7065 | 3.5711 | — | 3.2469 | 3.2976 | 0.1622 | 4.1857 | 5.2093 | 4.4565 | 3.9875 |
| Tokyo | 117.75 | 187.25 | 63.99 | 18.99 | 6.666 | 56.83 | 3.859 | 77.61 | — | 84.63 | 91.2576 |
| Toronto | 1.3915 | 2.2349 | 0.7621 | 0.2261 | 0.07571 | 0.6742 | 0.3699 | 0.9227 | 1.181 | — | 1.9707 |
| Zurich | 1.5225 | 2.417 | 0.8257 | 0.245 | 0.08367 | 0.733 | 39.971 | — | 1.2827 | 1.0825 | 0.9748 |
| 1 ECU | 1.2272 | 0.6775 | 1.1701 | 0.6613 | 1.725.92 | 1.2119 | 40.684 | 1.625 | 126.059 | 1.4559 | 166.535 |
| 1 SDR | 1.3065 | 0.8567 | 1.4579 | 0.3992 | 2.456.14 | 1.8066 | 51.35 | 2.0539 | 157.086 | 1.8561 | 212.459 |

*Closings in Amsterdam, London, Milan, Paris and Zurich. Fixings in other centers: New York rates at 4 P.M. and Toronto rates at 3 P.M.*
*a- To buy one pound; b- To buy one dollar. "Units of 100. N.Q., not quoted; N.A., not available*

### Other Dollar Values

| Currency | Per $ | Currency | Per $ | Currency | Per $ | Currency | Per $ |
|---|---|---|---|---|---|---|---|
| Argent. peso | 0.9999 | Greek drac. | 286.14 | Mex. peso | 7.756 | S. Afr. rand | 4.6925 |
| Australian $ | 1.3486 | Hong Kong $ | 7.7492 | N. Zealand $ | 1.5418 | S. Kor. won | 894.85 |
| Austrian sch. | 12.922 | Hung. forint | 197.16 | Norw. krone | 7.6272 | Swed. krona | 8.0121 |
| Brazil real | 1.086 | Indian rupee | 35.69 | Phil. peso | 29.30 | Taiwan $ | 28.72 |
| Chinese yuan | 8.3193 | Indo. rupiah | 2725.0 | Polish zloty | 3.85 | Thai baht | 31.55 |
| Czech koruna | 33.78 | Irish £ | 0.6272 | Port. escudo | 186.14 | Turkish lira | 162980 |
| Danish krone | 7.0065 | Israeli shek. | 3.573 | Russ. ruble | 5809.50 | UAE dirham | 3.671 |
| Egypt. pound | 3.5023 | Kuw dinar | 0.3049 | Saudi ryal | 3.75 | Venez. bolív. | 494.35 |
| Fin. markka | 5.5027 | Malay. ring. | 2.779 | Sing. $ | 1.5157 | | |

### Forward Rates

| Currency | 30-day | 60-day | 90-day | Currency | 30-day | 60-day | 90-day |
|---|---|---|---|---|---|---|---|
| Pound Sterling | 1.6749 | 1.6726 | 1.6705 | Japanese yen | 117.93 | 117.61 | 116.91 |
| Canadian dollar | 1.3587 | 1.3581 | 1.3618 | Swiss franc | 1.5114 | 1.5061 | 1.5026 |
| Deutsche mark | 1.8259 | 1.8231 | 1.8202 | | | | |

*Source: ING Bank (Amsterdam); Kredietbank Bank (Brussels); Banque Commerciale Italienne (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Bank of Montreal (Toronto); Union Bank of Switzerland (Zurich); Reuters; Telerate.*

# Glitch Closes Personal Credit-Rating Site on the Internet

*The Associated Press*

LOS ANGELES — One of the world's largest information companies has shut down a Web site where consumers could look at their own credit histories after a technical glitch sent some reports to the wrong people.

Before the problem, the site launched by Experian Inc. had raised fears by consumer advocates that it would become a gateway for fraud artists and stalkers seeking personal information on their victims.

The company quietly launched the Internet site Wednesday night and shut it Friday.

An Experian spokesman said the misdirected reports were the result of a technical breakdown, not a security breach.

"We have put a hold on the system. We're not delivering any on-line credit reports right now," said Martin Abrams, vice president for information policy at the company, based in Orange, California.

News reports about the move prompted a sudden deluge of requests for reports early Friday, causing the breakdown, Mr. Abrams said. The site received 2,000 requests for reports between 8 P.M. Thursday and early Friday, Mr. Abrams said. Of those, 213 reports were transmitted electronically. The company did not know how many of those were misdirected, but planned to contact all of the customers to find out.

Most of the 2,000 requests came bunched together in the early-morning hours, Mr. Abrams said. "At those volumes, there was a missequencing of the credit reports," he said.

The company will restore the Web site once the problems are resolved, a process that could take several weeks, he said.

Experian put up the site after receiving 15,000 consumer e-mail requests for Internet access to credit reports.

For a fee, individuals can look at the reports, which include information about their loans, payment patterns, past addresses and other details, after providing a Social Security number, a credit card number and other private information.

The data transmission is encrypted to prevent electronic eavesdroppers from intercepting it.

Some consumer advocates contend that Experian has not done enough to keep criminals out. Beth Givens, director of the Privacy Rights Clearinghouse, a nonprofit consumer group in San Diego, said it was "too easy for a very determined stalker or anyone else who wants that information" to retrieve credit reports.

Experian was formed in 1996 through the merger of TRW Information Systems & Services, one of the largest U.S. credit information companies, and CCN Group, Europe's largest credit-reference agency.

## CYBERSCAPE

### ■ Making the Net Safe for the French

Pity the poor French businessman. It's bad enough that he can't add accents to his e-mails because the Internet computer network will not recognize them. Soon it may even be illegal for him to use the word "e-mail" at all, Bloomberg News reported from Paris.

France's Ministry of Culture has published a competition inviting readers of its latest newsletter to find French equivalents for a list of English words used in business and technology, so that official translations can be recognized.

Three years ago, the French National Assembly passed the Toubon law, making it illegal to use foreign words in business and government signs, labeling and documentation, if a French equivalent exists.

Anne Magnant, a spokeswoman for the Cultural Delegation for the French Language, part of the Ministry of Culture in Paris, said the word "e-mail" has proved to be a particular challenge. So far, the French have not settled on a single term. Some say "e-mail," while others say "*message electronique*," "*adresse electronique*," "*courrier electronique*," and "*messagerie*."

### ■ Netscape to Sell Browser Alone

Netscape Communications Corp. is expected to begin offering its Internet browser separately on Monday, reversing a strategy set last autumn that failed to retain customers switching to its rival, Microsoft Corp., Bloomberg News reported from Mountain View, California.

Since June, computer users who wanted only Netscape's most recent Navigator Internet browser had to buy a package of e-mail and other programs known as Communicator. Analysts said Friday that they expected Netscape to reverse that tactic by letting customers buy its newest browser separately from the package, which sells for $60.

*Internet address: Cyberscape@iht.com*

• *Recent technology articles: www.iht.com/IHT/TECH/*

*CAPITAL MARKETS ON MONDAY*

# Dollar Casts a Shadow on Securities but Investors Remain Bullish

*Bridge News*

NEW YORK — Treasury bond prices remained under pressure last week even though the economic news was friendly, and traders said technical problems and the dollar's moves could continue to weigh on the bond market next week.

Traders and investors dismiss the Federal Open Market Committee's meeting scheduled for Tuesday as a nonevent. And none of next week's U.S. economic reports are likely to have a big impact on prices.

The focus will remain on the bond market's efforts to regain its footing after serious stumbles over the past couple of weeks, and on the dollar's swings.

On Friday, the benchmark 30-year Treasury bond's yield fell to 6.54 percent, compared with 6.64 percent a week earlier.

Amid all the concerns about the bond market's big recent losses, however, there was still a powerful undercurrent of bullishness among investors.

Bill Stevens, a managing director in fixed income at Montgomery Asset Management, said he still believed greater productivity allowed the U.S. economy to sustain a higher rate of growth without inflationary pressures.

The battle between the optimists and those who see inflationary pressures closing in will result in some volatility, Mr. Stevens said, with strong numbers possibly sending the 30-year yield back up to 7 percent.

During the first half of August, Treasury prices were hit by worries about a pick-up in growth, by a massive attack of indigestion after dealers bought the refunding auctions near the highs, and most recently by the dollar's dive from its recent peaks.

In the short term, traders said participants would continue to recover from losing positions they acquired before the sell-off. The process is taking time partly because the Treasury market has thinned out as summer draws to a close, with many traders and investors on vacation, and the bad positions could limit the market's upside until September.

"I don't think the data mean anything — it's a technical market," one trader said. He expected Treasury prices to

**U.S. CREDIT MARKETS**

settle into a trading range because "there are not enough buyers or sellers to shake us out of that range."

Last week, the bond market seemed to take some cues from big downdrafts in the stock market and in the dollar, and traders expected that to continue.

Ted Ake, head of government trading at Everen Securities, said participants were trying to figure out the relationships involved in the summer activity, and particularly the relationship between the bond market and the dollar.

"When it all calms down, I have a feeling we will continue to do better," Mr. Ake said. But he said the dollar's deterioration was leading some international accounts to sell Treasuries on any rebound.

The dollar has come off its recent eight-year high against the Deutsche mark on speculation about a Bundesbank rate increase and concern about the outlook for European monetary union. The dollar has also been volatile against the yen on talk about a Japanese rate cut and the uncertainty created by the turmoil in many Asian currencies.

Mr. Ake said the dollar's direction would be the key to the next move in U.S. rates. "If the dollar's movement down is just a correction, that's going to be very positive for us," he said. "If the dollar's movement down is the beginning of a bear trade, that's very negative for us."

Other participants pointed to the currency turmoil in Southeast Asia as a factor that could limit growth worldwide, which would be a plus for the Treasury market, or could result in sales of Treasuries by Southeast Asian central banks preparing to defend their currencies by selling dollars, which would have a negative effect.

Dan Seto, economist at Nikko, said he perceived the Southeast Asian currency problems mostly as benefiting the Treasury market.

If international investors think the problems will continue for some time, they may see the dollar as the safest place to invest, he said. Mr. Seto added that the central banks seemed to be intervening to support their currencies in only a limited manner, which should limit their sales of Treasury holdings.

Looking a little farther ahead, the bond market will take its direction from the pace of third-quarter growth, and investors say there could be more setbacks in store if the numbers come in stronger.

Last week's numbers showed a 0.6 percent increase in July retail sales, indicating that spending had picked up, but not heavily. The data also showed a 0.7 percent surge in June inventories, a factor that could limit growth in coming months. The price numbers still show a rosy inflation outlook: producer prices declined for the seventh month in a row, and the 0.2 percent increase in consumer prices put the year-on-year rise at a modest 2.4 percent.

The bond market was not able to make much headway on the friendly data, and investors cited fears that there could be more growth in store later in the quarter.

The most important of the second-string data expected to be released this week will be Tuesday's July housing starts and Thursday's Philadelphia Fed business survey for August.

Traders will also be waiting for a permanent purchase of securities by the Federal Reserve.

## Most Active International Bonds

The 250 most active international bonds traded through the Euroclear system for the week ending Aug. 15. Prices supplied by Telekurs.

| Rnk Name | Cpn | Maturity | Price | Yield |
|---|---|---|---|---|
| **Austrian Schilling** | | | | |
| 163 Austria | 4⅝ | 05/23/02 | 99.3000 | 4.6600 |
| 239 Austria | 7 | 02/14/00 | 106.0500 | 4.6000 |
| **Belgian Franc** | | | | |
| 217 Belgium | 7 | 04/29/99 | 105.0100 | 4.6700 |
| **British Pound** | | | | |
| 87 Abbey Nat TS | 6 | 08/10/99 | 97.5000 | 6.1500 |
| 193 Fannie Mae | 6⅞ | 06/07/02 | 95.8742 | 6.9500 |
| 212 Fannie Mae | 6.43 | 03/22/01 | 96.2392 | 6.6800 |
| 213 Fin. Resid Hous | 8.369 | 09/30/50 | 137.1250 | 6.1000 |
| 219 DSL | 7¼ | 08/07/07 | 98.8750 | 7.3300 |
| 221 FHLB | 6⅞ | 06/07/02 | 98.6250 | 6.9700 |
| 246 St George Bk fm | 7¼ | 02/07/02 | 99.7563 | 7.2700 |
| **Canadian Dollar** | | | | |
| 199 Canada | 7¼ | 06/01/07 | 109.2500 | 6.6400 |
| **Danish Krone** | | | | |
| 5 Denmark | 8 | 03/15/06 | 112.5500 | 7.1100 |
| 17 Denmark | 7 | 11/15/07 | 105.3000 | 6.5500 |
| 23 Denmark | 9 | 11/15/98 | 105.7200 | 8.5100 |
| 25 Denmark | 8 | 05/15/03 | 112.4300 | 7.1200 |
| 26 Denmark | 8 | 11/15/01 | 110.7500 | 7.2200 |
| 30 Denmark | 7 | 12/15/04 | 105.7900 | 6.5500 |
| 34 Denmark | 6 | 12/10/99 | 102.9700 | 5.8300 |
| 37 Denmark | 9 | 11/15/00 | 112.2200 | 8.0200 |
| 45 Denmark | 7 | 11/10/24 | 100.2000 | 6.9900 |
| 58 Denmark | 6 | 02/15/99 | 102.4500 | 5.8600 |
| 67 Denmark | 6 | 11/15/02 | 103.2600 | 5.8150 |
| 113 Nykredit 3 Cs | 6 | 10/01/26 | 91.2800 | 6.5700 |
| 139 Denmark | 7 | 02/15/98 | 101.4200 | 6.9000 |
| 144 Real Kredit | 6 | 10/01/26 | 91.1200 | 6.5500 |
| 150 Nykredit | 7 | 10/01/29 | 96.1000 | 7.2200 |
| 242 Nykredit Bank | 7 | 10/01/26 | 95.9500 | 7.3000 |
| 244 Realkredit | 7 | 10/01/29 | 95.5500 | 7.3300 |
| **Deutsche Mark** | | | | |
| 1 Germany | 6 | 07/04/07 | 102.7129 | 5.8400 |
| 2 Germany | 6⅛ | 07/04/27 | 101.9948 | 6.3700 |
| 3 Germany | 6 | 01/04/07 | 102.1500 | 5.8700 |
| 5 Bundesobligation | 4½ | 02/22/02 | 98.9219 | 4.5500 |
| 7 Germany | 6¼ | 04/26/06 | 104.2487 | 6.0000 |
| 9 Germany | 8 | 01/21/02 | 112.5200 | 7.1100 |
| 11 Germany | 8 | 07/22/02 | 113.6232 | 7.0400 |
| 13 Germany | 6⅝ | 05/12/05 | 106.2911 | 6.4700 |
| 14 Germany | 6½ | 10/14/05 | 106.1950 | 6.1200 |
| 18 Germany | 6 | 01/05/06 | 102.8233 | 5.8400 |
| 19 Treuhand | 7⅛ | 09/09/04 | 109.8200 | 6.8300 |
| 21 Germany | 6¼ | 01/04/24 | 97.9725 | 6.3800 |
| 22 Germany | 3¾ | 03/19/99 | 97.9526 | 3.8300 |
| 23 Germany | 7¼ | 01/03/05 | 111.7233 | 6.6000 |
| 24 Germany | 3¾ | 06/18/99 | 99.5300 | 3.5200 |
| 27 Treuhand | 7⅜ | 01/29/03 | 109.3200 | 6.4800 |
| 28 Germany | 7¼ | 09/20/01 | 113.0600 | 7.3000 |
| 29 Germany | 4¾ | 11/20/01 | 98.3756 | 4.6300 |
| 31 Germany | 8¼ | 12/20/00 | 113.4100 | 7.2200 |
| 32 Treuhand | 7¼ | 10/01/02 | 112.4700 | 6.9900 |
| 33 Germany | 9 | 10/20/00 | 113.3300 | 7.9400 |
| 35 Germany | 6 | 07/15/03 | 107.0000 | 6.0700 |
| 38 Germany | 6 | 02/16/06 | 102.8425 | 5.9200 |
| 39 Treuhand | 7½ | 12/02/02 | 109.7376 | 5.7500 |
| 41 Germany | 8¼ | 08/20/01 | 115.0600 | 7.6000 |
| 42 Germany | 5½ | 08/22/00 | 100.1554 | 5.7400 |
| 43 Germany | 5 | 08/20/01 | 101.7400 | 4.9100 |
| 46 Treuhand | 6⅝ | 07/09/03 | 107.5600 | 6.1600 |
| 47 Treuhand | 6½ | 04/23/03 | 107.0000 | 6.0700 |
| 48 Germany | 5 | 05/21/01 | 101.7033 | 4.9200 |
| 49 Germany | 3½ | 12/18/98 | 99.7400 | 3.5100 |
| 50 Germany SP | zero | 07/04/27 | 14.2500 | 6.7300 |
| 52 Germany | 3½ | 09/18/98 | 99.9900 | 3.5000 |
| 53 Germany | 6¼ | 03/15/00 | 105.5467 | 6.1600 |
| 54 Germany | 8⅜ | 05/21/01 | 112.9100 | 7.4200 |
| 56 Germany | 5⅞ | 05/15/00 | 104.1525 | 5.6400 |
| 58 Germany | 8½ | 02/20/01 | 112.6300 | 7.5500 |
| 60 Germany | 6¾ | 07/15/04 | 108.2351 | 6.2400 |
| 62 Germany | 7⅛ | 12/20/02 | 108.7448 | 6.5500 |
| 63 Treuhand | 6⅞ | 06/11/03 | 108.6950 | 6.3300 |
| 70 Germany | 6½ | 09/15/99 | 105.5500 | 6.4000 |
| 71 Germany | 5¼ | 02/21/01 | 102.4300 | 5.1300 |
| 72 Germany | 6 | 06/20/16 | 97.6420 | 6.1400 |
| 73 Germany | 6¾ | 04/22/03 | 108.2767 | 6.2300 |
| 76 Germany | 5⅛ | 11/21/00 | 102.2000 | 5.0100 |
| 79 Germany | 8½ | 07/20/00 | 111.9300 | 7.8200 |
| 80 Germany | 7 | 12/22/97 | 101.2500 | 6.9100 |
| 84 Germany | 6 | 09/15/03 | 104.7500 | 5.7300 |
| 86 Treuhand | 6¾ | 05/13/04 | 108.1280 | 6.2400 |
| 88 Germany Tbills | zero | 01/16/98 | 98.7165 | 3.0700 |
| 90 Germany | 8½ | 08/21/00 | 111.4900 | 7.6200 |
| 92 Germany | 7½ | 11/11/04 | 112.5500 | 6.6600 |
| 94 Germany | 7¼ | 10/21/02 | 110.3000 | 6.5700 |
| 96 Treuhand | 6⅛ | 07/01/99 | 104.3500 | 6.1100 |
| 97 Germany | 6⅛ | 05/20/99 | 103.8000 | 5.9000 |
| 98 Treuhand | 6¾ | 03/04/04 | 105.5620 | 5.9200 |
| 99 Germany | 9 | 01/22/01 | 114.0500 | 7.8900 |
| 100 Treuhand | 5 | 01/14/99 | 101.6900 | 4.9200 |
| 104 Germany | 6⅞ | 02/24/99 | 104.4700 | 6.5800 |
| 107 Germany | 8¾ | 05/22/00 | 111.4900 | 7.8500 |
| 112 Treuhand | 6¼ | 07/29/99 | 104.5417 | 5.9800 |
| 117 Germany | 6⅝ | 01/20/98 | 101.3600 | 6.5400 |
| 122 Treuhand | 6 | 11/12/03 | 104.3750 | 5.7500 |
| 124 Bundespost | 9.06 | 12/29/00 | 114.1200 | 7.9400 |
| 125 Germany | 5¾ | 08/20/98 | 102.1600 | 5.6300 |
| 129 Germany | 6⅜ | 05/20/98 | 102.1800 | 6.2400 |
| 130 Germany | 5¼ | 10/20/98 | 101.8300 | 5.1600 |
| 132 Treuhand | 5¾ | 04/29/99 | 103.0900 | 5.5800 |
| 135 Treuhand | 5⅝ | 09/24/98 | 102.1500 | 5.5100 |
| 147 Germany | 6⅞ | 12/02/98 | 103.9300 | 6.6200 |
| 148 DSL | 5⅝ | 08/13/07 | 98.7081 | 5.7000 |
| 152 Germany | 5¼ | 02/22/99 | 102.3797 | 5.2500 |
| 158 Germany SP | zero | 01/04/24 | 17.8000 | 6.7500 |
| 165 Treuhand | 5 | 12/17/98 | 101.6400 | 4.9200 |
| 168 Germany Tbills | zero | 10/17/97 | 99.5355 | 2.6900 |
| 170 Germany | 7 | 01/13/00 | 106.5500 | 6.5700 |
| 178 Germany SP | zero | 01/04/07 | 58.1670 | 5.9300 |
| 190 Treuhand | 6⅛ | 06/25/98 | 102.1800 | 5.9900 |
| 191 Russia | 9 | 03/25/04 | 104.3500 | 8.6200 |
| 202 Treuhand | 7 | 11/25/99 | 106.3400 | 6.5800 |
| 203 Germany | 6½ | 01/02/99 | 103.6200 | 6.2700 |
| 207 Germany | 6⅜ | 08/14/98 | 102.7200 | 6.2100 |
| 211 Germany | 7¼ | 10/20/97 | 100.6800 | 7.2000 |
| 215 Germany | 5¾ | 05/28/99 | 103.1600 | 5.5700 |
| 230 Germany | 6 | 02/20/98 | 101.3000 | 5.9200 |
| 232 CAP Credit Card | 5⅝ | 08/15/01 | 102.5600 | 5.4800 |
| 235 Treuhand | 6 | 03/24/98 | 101.6200 | 6.0300 |
| 243 Germany FRN | 2.95 | 04/06/00 | 99.7100 | 2.9600 |
| 245 Germany | 6½ | 02/20/98 | 101.4200 | 6.1600 |
| 250 Germany SP | zero | 07/04/07 | 57.1900 | 5.6100 |
| **Dutch Guilder** | | | | |
| 44 Netherlands | 5¾ | 02/15/07 | 101.0000 | 5.6900 |
| 67 Netherlands | 6¼ | 07/15/98 | 102.2000 | 6.1200 |
| 75 Netherlands | 5¾ | 09/15/02 | 103.6000 | 5.5500 |
| 89 Netherlands | 7½ | 01/15/23 | 114.8500 | 6.5300 |
| 91 Netherlands | 7½ | 06/15/99 | 106.0000 | 7.0800 |
| 93 Netherlands | 9 | 01/15/01 | 113.8000 | 7.9100 |
| 102 Netherlands | 6 | 01/15/06 | 103.2500 | 5.8100 |
| 123 Netherlands | 8½ | 06/01/06 | 120.2500 | 7.0700 |
| 127 Netherlands | 7½ | 04/15/10 | 114.8500 | 6.5300 |
| 137 Netherlands | 7 | 06/15/05 | 109.8000 | 6.3800 |
| 142 Netherlands | 5¾ | 01/15/04 | 103.0000 | 5.5800 |
| 143 Netherlands | 7¼ | 03/01/05 | 114.4000 | 6.7700 |
| 149 Netherlands | 8¼ | 03/15/01 | 112.7000 | 7.5400 |
| 169 Netherlands | 7 | 03/15/99 | 104.5000 | 6.7000 |
| 174 Netherlands | 7½ | 11/15/99 | 107.1000 | 7.0000 |
| 177 Netherlands | 8¼ | 06/15/02 | 114.3000 | 7.2200 |
| 182 Netherlands | 8¼ | 02/15/02 | 113.7000 | 7.2600 |
| 188 Netherlands | 6¾ | 11/15/05 | 108.2000 | 6.2400 |
| 196 Netherlands | 7¼ | 10/01/04 | 111.4000 | 6.5100 |
| 197 Netherlands | 8¾ | 02/15/00 | 109.2500 | 7.5500 |
| 206 Netherlands | 7 | 02/15/03 | 109.4000 | 6.4000 |
| 226 Netherlands | 6½ | 07/15/98 | 102.4100 | 6.3500 |
| 231 Netherlands SP | zero | 01/15/23 | 18.7000 | 6.8100 |
| **ECU** | | | | |
| 126 France B.T.A.N. | 4½ | 07/12/02 | 97.2000 | 4.6300 |
| 136 France OAT | 5½ | 04/25/07 | 96.6500 | 5.6900 |
| 140 France OAT | 6 | 04/25/04 | 102.8000 | 5.8400 |
| 151 France BTAN | 5 | 03/16/99 | 100.7700 | 4.9600 |
| 184 France B.T.A.N. | 6 | 03/16/01 | 103.5900 | 5.7900 |
| 192 Spain | 6 | 01/31/08 | 99.0000 | 6.0600 |
| 195 Britain | 4 | 01/28/00 | 98.2950 | 4.0700 |
| 227 France OAT | 8½ | 04/25/22 | 119.3000 | 6.9200 |
| 235 France OAT | 8½ | 03/15/02 | 113.0000 | 7.5200 |
| **Finnish Markka** | | | | |
| 105 Finland | 7¼ | 04/18/06 | 109.1666 | 6.6400 |
| 141 Finland | 11 | 01/15/99 | 109.5877 | 10.0400 |
| **French Franc** | | | | |
| 83 France OAT | 5½ | 04/25/07 | 99.7000 | 5.5200 |
| 111 France BTAN | 4¾ | 04/12/99 | 101.3400 | 4.6900 |
| 218 France B.T.A.N. | 4½ | 07/12/02 | 98.8800 | 4.5500 |
| 238 France B.T.A.N. | 4½ | 10/12/98 | 100.8400 | 4.4600 |
| **Italian Lira** | | | | |
| 128 Italy | 6¼ | 03/01/02 | 100.1600 | 6.2400 |
| 201 Italy | 8¾ | 07/01/06 | 113.2300 | 7.7300 |
| 247 Pemex | 10⅛ | 08/13/07 | 100.1549 | 10.1100 |
| **Japanese Yen** | | | | |
| 66 AB Intl | 0.50 | 08/01/07 | 99.7500 | 0.5000 |
| 154 NTT | 2½ | 07/25/07 | 101.0000 | 2.4800 |
| 162 Japan Dev Bk | 6½ | 09/20/01 | 120.5000 | 5.3900 |
| 185 World Bank | 4½ | 03/20/03 | 115.1250 | 3.9100 |
| 204 Italy Class B | 5 | 12/15/04 | 119.1250 | 4.2000 |
| 205 Sumit Spec Met | 0.25 | 09/30/04 | 118.4306 | 0.2100 |
| 222 ADB | 1.85 | 08/07/02 | 99.5000 | 1.8600 |
| **South African Rand** | | | | |
| 74 Dev Bk Africa | zero | 12/31/27 | 2.5000 | 12.9000 |
| **Spanish Peseta** | | | | |
| 118 Spain | 7.90 | 02/28/02 | 108.9530 | 7.2500 |
| 134 Spain | 8 | 05/30/04 | 111.2025 | 7.1900 |
| 237 Spain | 7.80 | 10/31/99 | 105.3067 | 7.4100 |
| 249 Spain | 6¾ | 04/15/00 | 103.7571 | 6.5100 |
| **Swedish Krona** | | | | |
| 108 Sweden | 11 | 01/21/99 | 109.1380 | 10.1700 |
| 116 Sweden 1036 | 10¼ | 05/05/00 | 111.9330 | 9.1600 |
| 145 Sweden | 6 | 02/09/05 | 97.8640 | 6.1300 |
| 164 Sweden 1037 | 8 | 08/15/07 | 110.2360 | 7.2600 |
| 208 Sweden | 5½ | 04/12/02 | 99.4570 | 5.5900 |
| 248 Sweden | 6½ | 10/25/06 | 99.6990 | 6.5200 |
| **U.S. Dollar** | | | | |
| 4 Brazil Cap S.L | 4½ | 04/15/14 | 93.3348 | 4.8200 |
| 6 Argentina par | 5½ | 03/31/23 | 74.4161 | 7.3900 |
| 10 Argentina | 11¾ | 01/30/17 | 115.5529 | 9.5900 |
| 12 Mexico | 11½ | 05/15/26 | 120.2267 | 9.5200 |
| 15 Brazil | 10⅛ | 05/15/27 | 99.6017 | 10.1700 |
| 16 Argentina FRN | 6¾ | 03/29/05 | 93.0052 | 7.2600 |
| 36 Brazil L FRN | 6⅞ | 04/15/06 | 92.4561 | 7.4400 |
| 40 Venezuela A | 6¾ | 03/31/20 | 82.1559 | 8.2200 |
| 51 Brazil par ZI | 5¼ | 04/15/24 | 71.1250 | 7.3800 |
| 55 Venezuela FRN | 6¾ | 12/18/07 | 93.7500 | 7.2000 |
| 57 Russia | 10 | 06/26/07 | 102.2622 | 9.7800 |
| 59 Brazil FRN | 6[9/16] | 01/01/01 | 99.0625 | 6.5200 |
| 61 Mexico | 9⅞ | 01/15/07 | 108.2768 | 9.1200 |
| 64 Brazil S.ZI FRN | 6⅞ | 04/15/24 | 87.6001 | 7.9000 |
| 68 Brazil S.L FRN | 6[13/16] | 04/15/12 | 82.1912 | 8.4400 |
| 77 Mexico par B | 6¼ | 12/31/19 | 80.4445 | 7.7700 |
| 78 Mexico par A | 6¼ | 12/31/19 | 80.9963 | 7.7200 |
| 81 Argentina FRN | 6⅞ | 03/31/23 | 91.0150 | 7.5300 |
| 82 Brazil S.L FRN | 6[15/16] | 04/15/09 | 88.7200 | 7.8200 |
| 85 Ecuador par | 3½ | 02/28/25 | 52.8750 | 6.6200 |
| 95 Venezuela par B | 6¾ | 03/31/20 | 82.1475 | 8.2200 |
| 101 Bulgaria FRN | 6[11/16] | 07/28/11 | 79.8001 | 8.3800 |
| 103 Mexico A FRN | 6.867 | 12/31/19 | 94.9375 | 7.2300 |
| 106 Bulgaria FRN | 6[11/16] | 07/28/24 | 80.5951 | 8.3000 |
| 109 TVA | 6¾ | 11/01/25 | 97.5000 | 6.9200 |
| 110 Mexico | 11⅜ | 09/15/16 | 118.5000 | 9.6000 |
| 114 Italy | 6⅞ | 09/27/23 | 97.0299 | 7.0900 |
| 115 Peru Pdi | 4 | 03/07/17 | 66.7219 | 6.0000 |
| 119 Mexico FRN | 7.055 | 06/27/02 | 100.1200 | 7.0500 |
| 120 Argentina | 8⅜ | 12/20/03 | 101.2070 | 8.2300 |
| 121 Mexico par A | 6¼ | 12/31/19 | 81.1563 | 7.7000 |
| 131 Mexico par B | 6¼ | 12/31/19 | 80.2917 | 7.7800 |
| 133 Bulgaria | 2½ | 07/28/12 | 63.9600 | 3.5200 |
| 138 Argentina FRN | 5.711 | 04/01/01 | 129.7000 | 4.4000 |
| 146 Mexico D FRN | 6[13/16] | 12/28/19 | 95.0179 | 7.1700 |
| 153 Abbey Nat TS | 6 | 08/12/99 | 99.7500 | 6.0200 |
| 155 Russia | 9¼ | 11/27/01 | 102.7500 | 9.0000 |
| 156 Mexico B FRN | 6.836 | 12/31/19 | 97.0218 | 7.0500 |
| 157 Argentina | 11 | 10/09/06 | 114.8750 | 9.5800 |
| 159 Ecuador FRN | 3¼ | 02/28/15 | 71.9915 | 4.5200 |
| 160 Argentina | 8⅜ | 05/09/02 | 104.4000 | 8.3800 |
| 161 Fin Danish Ind | 6¾ | 05/12/01 | 100.8750 | 6.6900 |
| 166 Toyota Motor | 6¼ | 07/22/02 | 99.2524 | 6.3000 |
| 167 Peru | 3¼ | 03/07/17 | 59.2500 | 5.4900 |
| 171 Shum Yip Cap | 1.20 | 08/08/02 | 101.0008 | 1.1900 |
| 172 Korea El Pwr fm | 5.869 | 02/08/99 | 99.7349 | 5.8600 |
| 173 Credit Lyon fm | 6[7/16] | 12/31/99 | 99.5000 | 6.9500 |
| 175 Poland Inter | 4 | 10/27/14 | 86.0478 | 4.6500 |
| 176 Canada FRN | 5½ | 02/10/99 | 99.8100 | 5.5100 |
| 179 Brazil | 6 | 09/15/13 | 79.6700 | 7.5300 |
| 180 Commerz FRN | 5.594 | 01/29/01 | 99.5800 | 5.6200 |
| 181 Bco Com Ext. | 7¼ | 02/02/04 | 94.4206 | 7.6600 |
| 183 TMCC | 7 | 06/11/07 | 101.9467 | 6.8700 |
| 186 Keppel | 2 | 08/12/02 | 97.5000 | 2.0500 |
| 187 Panama FRN | 4 | 07/17/16 | 85.7500 | 4.6600 |
| 189 Fst Nat Bk Chic | 7 | 05/08/00 | 101.5000 | 6.9000 |
| 193 Bayerische LB | 6⅜ | 06/25/07 | 100.0000 | 5.6300 |
| 194 Canada | 6⅛ | 07/15/02 | 99.8493 | 6.1300 |
| 200 Panama | 3¾ | 07/17/14 | 76.8125 | 4.8800 |
| 209 Mexico C FRN | 6.82 | 12/31/19 | 96.4910 | 7.0700 |
| 210 Paribas FRN | 5⅞ | 07/09/02 | 99.9600 | 5.8800 |
| 214 Christiana Bk fm | 5¾ | 07/18/00 | 99.7800 | 5.7600 |
| 216 Italy FRN | 5.594 | 05/12/02 | 99.8800 | 5.6000 |
| 220 Brazil S.L FRN | 6[15/16] | 04/15/12 | 84.4821 | 8.2100 |
| 223 Ecuador FRN | 6[7/16] | 02/28/25 | 78.8800 | 8.1600 |
| 224 Brazil Cbond S.L | 4½ | 04/15/14 | 94.4335 | 4.7700 |
| 225 NorddeutLB | 3 | 02/11/03 | 97.5000 | 3.0800 |
| 228 Poland FRN | 6[15/16] | 10/27/24 | 98.0771 | 7.0700 |
| 229 ICI Invest | 6¾ | 08/07/02 | 100.0000 | 6.7500 |
| 233 Canada | 6½ | 05/30/00 | 101.1250 | 6.4300 |
| 234 EIB | zero | 11/06/26 | 13.8750 | 6.9900 |
| 240 Argentina | 10.95 | 11/01/99 | 108.7500 | 10.0700 |
| 241 Abbey Natl TS | 6¼ | 06/30/00 | 100.0355 | 6.2500 |

## The Week Ahead: World Economic Calendar, Aug. 18-22

*A schedule of this week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.*

| | Asia-Pacific | Europe | Americas |
|---|---|---|---|
| **Expected This Week** | **Seoul:** South Korea and the United States meet to discuss ways to open the Korean auto market. Thursday and Friday.<br>**Tokyo:** The Administrative Reform Council, chaired by Prime Minister Ryutaro Hashimoto, meets. Monday to Thursday. | **Moscow:** "AeroSalon 97," the Moscow International Air Show. Participants include Boeing Co. and Gulfstream Aerospace Corp. Russian government is expected to introduce a new warplane. Tuesday to Sunday. | **Santa Cruz, California:** SCO Forum '97. Participants include executives from Compaq Computer Corp. and Intel Corp. Monday to Friday. |
| **Monday Aug. 18** | **Tokyo:** Money supply for July; major economic indicators overseas; returns on principal savings products; trade figures for July; steel production for July.<br>**Manila:** Second-quarter national estimates. | **Frankfurt:** Bundesbank to publish M3 money supply figures for July.<br>**Earnings expected:** Julius Baer Holding, Den Danske Bank, Radiometer, Fresenius and Fresenius Medical Care, Atlas Copco, Metro Holding. | **Rio de Janeiro:** Brazil sells 14.65 percent stake in Espirito Santo Centrais Eletricas for a minimum of $99.5 million; Petroleo Brasileiro to issue $250 million in 6-year samurai bonds. |
| **Tuesday Aug. 19** | **Sydney:** Reserve Bank of Australia releases August bulletin, which contains quarterly economic outlook.<br>**Earnings expected:** Australian Provincial Newspapers, Capral Aluminium, CSL. | **Frankfurt:** Bundesbank to call for bids on the sale of 10 billion Deutsche marks in five-year, 4.50 percent government notes.<br>**Stockholm:** SCB releases July consumer price index figures. | **Mexico City:** Foreign reserves levels; second-quarter gross domestic product.<br>**Washington:** Federal Reserve's policy-setting Federal Open Market Committee meets; August housing starts. |
| **Wednesday Aug. 20** | **Jakarta:** PT Semen Cibinong holds shareholders meeting to distribute bonus shares.<br>**Sydney:** Department of Industrial Relations releases June quarter wage trends in enterprise bargaining figures. | **London:** M4 money supply for July and M4 sterling lending for July; retail sales for July.<br>**Munich:** Ifo Institute publishes survey of business climate for July.<br>**Wiesbaden, Germany:** Producer prices for July. | **Washington:** Trade deficit in goods and services for June.<br>**Brasilia:** Brazil's monetary policy council, Copom, sets interest rate targets for September. |
| **Thursday Aug. 21** | **Hong Kong:** Government announces orders-on-hand statistics for June; analysis of re-export trade statistics for the first half of 1997.<br>**Sydney:** Australian government releases June quarter company profit figures. | **Frankfurt:** Bundesbank's policy council meets to discuss interest rates.<br>**London:** Second-quarter gross domestic product.<br>**Paris:** Bank of France monetary council meeting. | **Washington:** Treasury Department releases July budget statement.<br>**Philadelphia:** Philadelphia Federal Reserve releases economic survey for August. |
| **Friday Aug. 22** | **Hong Kong:** Government announces consumer price index for July.<br>**Tokyo:** Bank of Japan releases its input and output price index for different types of manufacturers. | **Voorburg, Netherlands:** First-half retail sales figures.<br>**Wiesbaden, Germany:** Import prices for July.<br>**Earnings expected:** Aegon NV. | **Mexico City:** Mexico's statistical institute releases retail and wholesale sales figures for June. |

# Bond Funds Add Junk to Their Mix

## *Low Rates and Strong Economy Spur Relaxing of Credit Standards*

By Timothy Middleton
*New York Times Service*

NEW YORK — If you feel tempted by the double-digit returns being generated by the bonds of developing nations, relax. You might already own some.

But if exposure to the highly volatile debt of Third World countries and some third-rate companies worries you, this is a time for vigilance. With interest rates low and the economy strong, bond funds are relaxing their credit standards.

High-quality bond funds are adding junk names, while lower-quality funds are acquiring more debt from emerging markets.

"This is fairly normal, to downgrade credit in an expanding economy," said Michael Lipper, president of Lipper Analytical Services, which tracks mutual funds. "There is less credit risk, in theory, and there is a presumption that managers will be able to get out" of their low-quality positions if the economy runs into trouble.

Credit quality in high-grade mutual bond funds has been declining steadily for two years.

In 1995, the typical fund investing in high-quality corporate bonds had just 3.4 percent of its assets in junk bonds, those rated less than triple-B, according to Morningstar Inc., the researchers in Chicago. That figure rose to 4.8 percent last year and now stands at 5.4 percent.

The high-yield bond market is breaking records monthly as more and more investors accept it.

Nearly $17.3 billion of junk bonds were issued in June, a one-month record. Issuance in the first half of this year — $53.53 billion — is likewise a record and is running 48 percent ahead of last year, when the market set new highs.

With interest rates so low — 30-year Treasury bonds are yielding less than 6.6 percent — fund managers are searching for higher yields wherever they can find them.

"Some of the investment grade funds that could dip down into double B credits — to cross over, as they say — have done so to pick up some yield in this environment," said Diane Vazza, director of fixed-income research for Standard & Poor's Corp., which rates bonds.

For example, shareholders voted two years ago to allow Oppenheimer Bond to buy lower-quality bonds. Now, 20 percent of the fund is in junk bonds. "We felt we could get good return enhancement without materially ratcheting up the risk," said David Negri, the fund's manager.

Shareholders were rewarded in the first half of this year. The fund's total return of 6.7 percent made it the fifth-best performer in Morningstar's high-quality bond group despite having among the highest expenses — almost 1.3 percent — of the top funds.

Funds that specialize in lower-quality debt have turned to emerging-markets debt to bolster returns.

Alliance Corporate Bond, for example, has 30 percent of its assets invested in junk bonds, and half of those — the maximum allowed by the fund's prospectus — are in emerging markets.

"That percentage has gradually increased over the past year from 5 percent or so as we've seen economic developments become fairly favorable to a lot of the emerging-markets countries," said Wayne Lyski, chief investment officer of Alliance's fixed-income division.

Corporate profitability is extremely high, reducing the risk that junk bonds will default, managers say. The market perceives this risk as so small that the premium demanded by investors to compensate for the danger is extremely low.

Last week, the highest-rated junk bonds were yielding an average of 87 basis points, or hundredths of a percentage point, more than the lowest investment-grade bonds. That is almost one percentage point less than the spread a year ago.

The experience of Prudential Diversified Bond demonstrates how improving credit conditions can benefit holders of junk bonds. The portfolio has been one of this year's standouts, advancing almost 8.25 percent in the first half, thanks in part to a 28 percent reliance on junk bonds.

"We've been the beneficiaries of several upgrades," said Barbara Kenworthy, who manages the fund.

The growth of junk bonds in nonjunk funds puts the safest, highest-quality triple A funds at a double disadvantage. Not only do the lower-quality portfolios yield more, but their managers are also better able to react to changing market conditions.

Of course, some bond funds manage to earn above-average returns without buying junk bonds. State Street Research Strategic Conservative, which Morningstar rated No. 1 among high-quality bond funds in the first seven months, led with a gain of 10.1 percent. The fund bolstered its return by adding stocks, not junk bonds.

## New International Bond Issues

Compiled by Laurence Desvilettes

| Issuer | Amount (millions) | Mat. | Coup. % | Price | Price end week | Terms |
|---|---|---|---|---|---|---|
| **Floating Rate Notes** | | | | | | |
| Bank of Ireland | $175 | 2007 | ¼ | 99.945 | — | [illegible] 0.25 over 3-month Libor until 2002, when issue is callable at par, thereafter 0.75 over. Fees [illegible]. Denominations $10,000. (J.P. Morgan Securities.) |
| Banque Paribas | $250 | 2002 | ⅛ | 99.979 | — | Over 3-month Libor. Noncallable. Fungible with outstanding issue, raising total amount to $1.25 billion. Fees 0.15%. Denominations $10,000. (Banque Paribas.) |
| Imperial Chemical Industries | $500 | 1998 | ⅛ | 99.9875 | — | Over 3-month Libor. Noncallable. Fees 0.05%. Denominations $10,000. (Deutsche Morgan Grenfell.) |
| Imperial Chemical Industries | $500 | 1998 | ⅛ | 99.96 | — | Over 3-month Libor. Callable at par in Sept. 1998. Fees 0.05%. Denominations $10,000. (Deutsche Morgan Grenfell.) |
| Imperial Chemical Industries | $500 | 1999 | ⅛ | 99.94 | — | Over 3-month Libor. Callable at par from 1998. Fees 0.05%. Denominations $10,000. (Deutsche Morgan Grenfell.) |
| Lehman Brothers Holdings | $250 | 2002 | 0.30 | 99.785 | — | Over 3-month Libor. Noncallable. Fees 0.35%. Denominations $100,000. (Lehman Brothers.) |
| Toronto-Dominion Bank | $300 | 1999 | ⅛ | 100.02 | — | Below 3-month Libor. Noncallable. Fees 0.0625%. Denominations $10,000. (Salomon Brothers.) |
| Canadian Imperial Bank of Commerce | Y50,000 | 2000 | ⅛ | 100.00 | — | Below 3-month Libor. Noncallable. Fees 0.125%. Increased from 30 billion yen. (Bank of Tokyo-Mitsubishi Intl.) |
| **Fixed-Coupons** | | | | | | |
| Central European Media Enterprises | $100 | 2004 | 9⅜ | 99.845 | — | Semiannually. Callable at 104.68 in 2001. Fees not available. (Morgan Stanley Intl.) |
| Credit Agricole Indosuez | $100 | 1998 | 7⅛ | 99.9573 | — | Semiannually. Noncallable. Fees 0.40%. Denominations $100,000. (Credit Agricole Indosuez.) |
| Deutsche Schiffsbank | $100 | 2001 | 6 | 100¼ | — | Interest will be 6½ until 1999, when issue is callable at par, thereafter 7%. Fees not available. (Commerzbank.) |
| Federal Home Loan Bank | $200 | 2002 | 6.711 | 100.00 | — | Semiannually. Callable at par from 1999. Fees 0.165%. Denominations $100,000. (Salomon Brothers Intl.) |
| Federal Home Loan Bank | $250 | 2002 | 6.68 | 100.00 | — | Semiannually. Callable at par from 1999. Fees 0.20%. (Banque Paribas.) |
| First USA Credit Card Master Trust | $1,300 | 2005 | 6.42 | 99.7627 | — | Average life 4.65 years. Also $117 million paying [illegible]. Fees not disclosed. (J.P. Morgan Securities.) |
| Hermes Europe Railtel | $265 | 2007 | 11½ | 100.00 | — | Semiannually. Callable at 105¾ in 2002. Fees 4%. (Donaldson, Lufkin Jenrette Securities.) |
| MBNA Master Credit Card Trust | $637.5 | 2007 | 6.55 | 99.7816 | — | Monthly. Average life 7 years. Private placement. Fees not disclosed. (Goldman Sachs Intl.) |
| Stockholm | $150 | 2000 | 6½ | 100.9605 | 100.10 | Reoffered at 99.773. Noncallable. Fees 1⅞%. (Lehman Brothers Intl.) |
| Suedwestdeutsche Landesbank Capital Markets | $125 | 2007 | 7½ | 100.075 | — | Interest will be 7½% until 1999, when issue is callable at par, thereafter 7⅝%. Fees 0.325%. (Barclays de Zoete Wedd.) |
| Tata Electric Company | $150 | 2007 | 7⅞ | 99.611 | — | Semiannually. Noncallable. Fees 0.65%. Denominations $100,000. (Chase Manhattan Intl.) |
| Tata Electric Company | $150 | 2017 | 8½ | 99.354 | — | Semiannually. Noncallable. Fees 0.85%. (Chase Manhattan Intl.) |
| Tucuman Province | $200 | 2004 | 9.45 | 100.00 | — | Quarterly. Average life 3.6 years. Fees 0.75%. (Bear Stearns.) |
| Ukraine | $450 | 1998 | zero | 91.80 | — | Yield [illegible]. Reoffered at 91.30. Noncallable. Fees 1%. Denominations $10,000. (Nomura Intl.) |
| Xerox Credit | $147.6 | 2000 | 5.40 | 100.00 | — | Semiannually. Noncallable private placement. Fees 1½%. (Merrill Lynch Intl.) |
| National Westminster Bank | £300 | 2015 | 7⅞ | 100.811 | — | Reoffered at 98.936. Noncallable. Fees 2½%. Denominations £10,000. (NatWest Capital Markets.) |
| Eskom | SAR7,500 | 2032 | zero | 2.14 | — | Yield 11½%. Noncallable. Proceeds 160 million rand. Fees 0.25%. (Hambros Bank.) |
| Merrill Lynch & Co. | Y35,000 | 2002 | 2 | 100¼ | — | Noncallable private placement. Fees 0.25%. Denominations 100 million yen. Increased from 30 billion yen. (Merrill Lynch Intl.) |

## Last Week's Markets

### Stock Indexes

| United States | Aug 15 | Aug. 8 | % Ch'ge |
|---|---|---|---|
| DJ Indus | 7,694.66 | 8,031.22 | —4.19 |
| DJ Util. | 225.51 | 229.82 | —0.57 |
| DJ Trans. | 2,864.96 | 2,937.02 | —2.45 |
| S & P 100 | 869.36 | 909.33 | —4.40 |
| S & P 500 | 900.81 | 933.54 | —3.51 |
| S & P Ind | 1,058.40 | 1,101.55 | —3.92 |
| NYSE Cp | 469.10 | 483.79 | —3.04 |
| Nasdaq Cp | 1,562.02 | 1,598.53 | —2.28 |
| **Japan** | | | |
| Nikkei 225 | 19,326.03 | 19,604.46 | -1.42 |
| **Britain** | | | |
| FTSE 100 | 4,865.80 | 5,037.20 | -3.40 |
| **Canada** | | | |
| TSE Indus. | 6,696.00 | 6,872.30 | —2.57 |
| **France** | | | |
| CAC 40 | 2,921.84 | 2,996.27 | -2.48 |
| **Germany** | | | |
| DAX | 4,152.86 | 4,354.15 | -4.62 |
| **Hong Kong** | | | |
| Hang Seng | 14,906.88 | 15,647.54 | -1.56 |
| **World** | | | |
| MSCIP | 951.16 | 972.84 | -2.23 |

*World index from Morgan Stanley Capital Intl Perspective*

### Money Rates

| United States | Aug. 15 | Aug. 8 |
|---|---|---|
| Discount rate | 5.00 | 5.00 |
| Prime rate | 8½ | 8½ |
| Federal funds rate | 5⅝ | 5½ |
| **Japan** | | |
| Discount | 0.50 | 0.50 |
| Call money | 0.41 | 0.41 |
| 3-month interbank | 0.60 | 0.56 |
| **Britain** | | |
| Bank base rate | 7.00 | 7.00 |
| Call money | 7⅛ | 7½ |
| 3-month interbank | 7[illegible] | 7½ |
| **France** | | |
| Intervention rate | 3.10 | 3.10 |
| Call money | 3⅛ | 3⅛ |
| 3-month interbank | 3⅜ | 3[5/16] |
| **Germany** | | |
| Lombard | 4.50 | 4.50 |
| Call money | 3.10 | 3.16 |
| 3-month interbank | 3.28 | 3.26 |

| Gold | Aug. 15 | Aug. 8 | % Ch'ge |
|---|---|---|---|
| London p.m. fix, $ | 324.65 | 323.70 | -0.29 |

## Euromarts

### Weekly Sales

Aug. 1[illegible]

Primary Market

| | Cedel Bk $ | Cedel Bk Non$ | Euroclear $ | Euroclear Non$ |
|---|---|---|---|---|
| Straights | 31.0 | 724.2 | 1,315.0 | 2,837.3 |
| Convert. | 34.5 | 1.7 | 417.7 | 129.7 |
| FRNs | 297.4 | 1,377.6 | 1,428.2 | 259.9 |
| ECP | 8,773.6 | 5,930.9 | 12,270.8 | 9,353.7 |
| Total | 9,128.5 | 8,034.4 | 15,431.7 | 12,580.6 |

Secondary Market

| | Cedel Bk $ | Cedel Bk Non$ | Euroclear $ | Euroclear Non$ |
|---|---|---|---|---|
| Straights | 27,995.7 | 17,856.8 | 107,320.0 | 78,[illegible] |
| Convert. | 1,593.0 | 1,727.2 | 5,469.3 | [illegible] |
| FRNs | 28,141.4 | 9,040.1 | 47,050.4 | 3,954.8 |
| ECP | 15,565.2 | 18,351.3 | 23,961.4 | 6,379.[illegible] |
| Total | 73,295.3 | 47,035.4 | 183,801.0 | 70,[illegible] |

Source: Euroclear, Cedel Bank

### Libor Rates

| | 1-month | 3-month | 6-month |
|---|---|---|---|
| U.S. $ | 5⅝ | 5¾ | 5⅞ |
| Deutsche mark | 3⅛ | 3[illegible] | 3½ |
| Pound sterling | 7[illegible] | 7[illegible] | 7¼ |
| French franc | 3[illegible] | 3[illegible] | [illegible] |
| ECU | 4[illegible] | 4[illegible] | [illegible] |
| Yen | [illegible] | [illegible] | [illegible] |

Sources: Lloyds Bank, Reuters

See our
**Recruitment**
every Monday in The Intermarket

# Southeast Asia Vows to Weather Any Speculation

## For Now, Serenity in Hong Kong

*Compiled by Our Staff From Dispatches*

HONG KONG — Hong Kong's financial executives exuded serenity this weekend, even as the storm clouds of currency speculation began to gather on the horizon and the local stock market braced for turbulence.

The Hong Kong dollar is likely to come under some renewed speculative pressure during the coming week, but no dramatic fall is expected, analysts said Sunday.

"I think some pressure may be building, but at the present time I don't see any way that Hong Kong would abandon its peg," said Marc Faber, an investment adviser, referring to the link with the U.S. dollar.

"For the time being, it's safe," Mr. Faber added. "It may weaken a little bit, but not much."

On Friday in the cash market, the U.S. dollar rose to 7.7495 Hong Kong dollars from 7.7470 dollars Thursday.

But in forward trading, the American currency rose to a 10-year high of 7.90 dollars.

Hong Kong has kept its currency at about 7.8 to the U.S. dollar since 1983.

Meanwhile, Financial Secretary Donald Tsang left on a scheduled trip to Australia Saturday at the start of a three-day public holiday in Hong Kong, while one of his deputies declared that any raider assailing the mighty local dollar would retreat with a bloody nose.

The Hong Kong Monetary Authority, the territory's central bank, would remain "very vigilant," the secretary for financial services, Rafael Hui, pledged. He said countries in Southeast Asia that have faced a currency crisis did not have such a solid economic foundation as Hong Kong nor its currency reserves of $80 billion.

"This is a period of uncertainty in the Southeastern Asian currency markets, but I have no worries," he said.

Or Ching-fai, acting chairman of the Hong Kong Banking Association, said: "We are confident the Hong Kong Monetary Authority can safeguard the value of the Hong Kong dollar. The fundamentals of Hong Kong's economy are sound and healthy."

Mr. Tsang says he used $1 billion last month to defend the Hong Kong currency from a speculator who tried to make money selling the local dollar. Dealers calculate that the unnamed assailant lost between 3 million dollars and 6 million dollars in just two hours when the Hong Kong Monetary Authority launched its counterattack.

The operation seems to have been a success, but analysts caution there is no single act that can ward off speculators.

In the coming week, speculators may launch more attacks with the profits they have made from busting the Thai baht, the Philippine peso and the Indonesian rupiah.

Other gains have come from gnawing at the Singaporean dollar and the Malaysian ringgit, whose central banks continue to intervene to save those currencies from falling below historic lows.

On Friday, the Hong Kong Monetary Authority set down its first defensive line, apparently sensing that the region's strongest currency, which is currently pegged at about 7.74 units to the dollar, would be the next to be targeted.

It increased interest rates for overnight funds from 6.5 to 8 percent, a move that makes it much more costlier for speculators to borrow funds to finance their assault.

Yet whatever Hong Kong does, a bigger problem lies outside its control — the possibility that the U.S. Federal Reserve will increase interest rates to head off inflation in the American domestic economy.

As Hong Kong shadows the U.S. dollar, it too would have to increase its own interest rates to preserve the peg. *(AFP, Reuters)*

## Suharto Pledges Tight Policies

*Reuters*

JAKARTA — Concerned by the slump in Indonesia's currency, President Suharto has said that the country will continue to enforce tight monetary and fiscal policies and has called for a curb on borrowings.

"The relatively tight fiscal and monetary policies will be maintained until the market situation is calm again and the exchange rate becomes relatively stable at a new level of equilibrium," he said Saturday during a speech on the eve of Indonesia's 52d anniversary of independence from the Netherlands.

"With the appropriate policy and the calmness of domestic players, the exchange rate will find a new equilibrium in line with prevailing economic fundamentals," he said.

President Suharto's annual state-of-the-nation address, traditionally a wrap-up of political events of the last year, was dominated by comments on the economy. It appeared to be aimed at calming market panic after falls in the rupiah and stock market last week.

The currency was floated Thursday and sank to a record low Friday of 2,960 to the dollar.

Its value has eroded by more than 20 percent against the dollar so far this year, with much of the decline coming in the last few months as economic woes in Thailand led to speculative attacks on most currencies in the region.

Jakarta stocks fell 2.37 percent on Friday to a 13-month low of 643.01. The index has lost almost 80 points since the beginning of the month.

President Suharto said he expected the upheaval in the rupiah to be temporary. But he added that it had an effect on the economy nevertheless and called for a curb on borrowings.

Indonesia has long guided the rupiah toward a 4 to 5 percent annual depreciation target. But Thursday it removed intervention bands after deciding that protecting the rupiah in the face of attacks would prove prohibitively expensive.

Mr. Suharto also said that businesses would have to become used to the absence of government protection on currency risks.

"These are normal business practices in many advanced countries," he said.

Mr. Suharto called the debt service ratio to exports "quite high" and said this was due to increasingly significant private foreign borrowings.

Analysts estimate that slightly under 10 percent of Indonesia's $58.6 billion corporate debt is unhedged. The central bank has said that government debt was $53.6 billion at the end of March.

Indonesia's decision to float its currency has been welcomed by Japanese funds, helping to reinforce their relatively positive view of the country despite turmoil in Asia as a whole, fund managers in Tokyo said.

And while Japanese funds remain wary about the latest economic trend, none said they had any plans to reduce substantially their Indonesian investment.

### ■ Asian Central Banks Talking

Prime Minister Mahathir bin Mohamad of Malaysia said Saturday that his country was discussing with others in Southeast Asia ways to beat rogue currency speculators, Agence France-Presse reported from Kuala Lumpur.

"We are talking with a lot of people now," he said when asked if the central banks in the region would get together to fight the decline in the value of regional currencies.

Mr. Mahathir said the central banks in the region, including Malaysia's Bank Negara, had been in "some communication."

## World Bank Offers Aid to Thais

*Reuters*

BANGKOK — The World Bank said Sunday it has offered Thailand $1.5 billion in aid as part of an international funding package to prop up the country's flagging economy, the bank's local office has said.

"The World Bank pledged $1.5 billion of support focused on improving Thailand's competitiveness and prompting structural reforms in the economy," the bank said in a statement issued on Sunday.

The bank will begin a mission in September to draw up a structural adjustment program for Thailand, it added. "Discussions held with Thai officials have resulted in the identification of areas of concentration, which includes the financial and banking sector, export promotion, labor productivity and social safety nets."

The contribution brings existing pledges from donors under an International Monetary Fund-sponsored rescue package to $16.7 billion.

The money is needed to help support the Thai economy as it faces its most severe crisis in decades.

# POSH: *Bernard Arnault of LVMH Blends an Aggressive Business Style and a Feel for Products*

**Continued from Page 11**

appeal of, say, Brad Pitt, simply on the strength of his fat bank account and financial acumen.

In France, Catholic and Socialist tradition are the odd bedfellows that have joined in fostering disdain for the business class. And Mr. Arnault's hardball ways are particularly out of keeping with French hauteur, which has contributed — along with decades of government micro-meddling in industry — to France's sluggish growth, high unemployment and squeamish participation in a globalizing economy. Only slowly are the French coming around to his ways.

"For a European, I have a U.S. approach," Mr. Arnault said in a recent interview — one he resisted for several weeks. "That is, I face reality as it is and not as I would like it to be. I build for the long term."

Between his many acquisitions over the years and his recent overhauls of the French fashion houses of Christian Dior and Givenchy, he has built himself into one of the most formidable forces in the world of luxury, a business that draws the lasting attentions of people across many slices of society.

In the last 13 years, he has built an empire out of companies he pried, for the most part, from the resistant grasps of others, one by one. But now he has picked one of its most audacious fights, against bigger and tougher foes. This time, the furor is over Mr. Arnault's efforts to pare down his holdings in alcoholic beverages, LVMH's slowest-growing product line, rather than to add to his stable.

While LVMH's drink brands are patently luxurious — names like Veuve Clicquot Champagne and Hennessy Cognac have graced honeymoons and power lunches for decades — they are not nearly as profitable as bottles of perfume, which are cheaper to make and distribute.

Nor do they have as much potential for growth. The company's wine and liquor sales shrank by 13 percent from 1992 to 1996, while sales of perfume and beauty products skyrocketed 65 percent and sales of luggage and leather goods almost doubled.

The trend is continuing this year. Although LVMH's sales rose 55.4 percent in the quarter that ended on June 30, compared with the corresponding period a year earlier, those gains were largely from acquisitions and sales of leather goods: sales of spirits and wine, excluding Champagne, fell.

So it appears that Mr. Arnault's strategy is to tap the cash flow of his drinks business for acquiring new toys.

To meet that objective, he first must block the planned merger of two of the largest drink companies in the world, Grand Metropolitan PLC and Guinness PLC, which in May announced their intent to combine into a $19 billion alcoholic beverage giant.

Mr. Arnault, who has longstanding joint ventures with Guinness and is a shareholder in both companies, has no intention of letting the two marry and leave him at the altar, a lesser competitor.

What he proposes instead is that Guinness, Grand Met and LVMH merge their drink businesses, with Grand Met spinning off its food entities — including Burger King and Pillsbury — and Guinness doing the same with its breweries. He would hold a 35 percent stake in the three-way merged company (which he refers to as Drinksco), in one stroke becoming a leading shareholder in the world's largest drinks company, eliminating some of his most fearsome competitors and removing the liquor monkey from LVMH's back.

"This is an investment he has had for a considerable time, and I suspect this particular one is closer to the end game," Mark Francis, a managing director in New York for UBS Securities, said of Mr. Arnault's liquor holdings. "Under this proposal, he will have a smaller investment in a much stronger and larger company, and have an elegant exit. Meanwhile, he is investing in other things."

So far, Guinness and Grand Met have officially told Mr. Arnault to buzz off, but the battle is far from over. He has increased his holdings in Grand Met to 11.1 percent and decreased his position in Guinness to 11.47 percent — enough to give him the 10 percent stake needed to call a special shareholders meeting in each company.

# Is It Time to Get Out Of the Stock Market?

*The Associated Press*

NEW YORK — Investors who follow business news occasionally hear that a mutual fund has taken money out of stocks and put it into cash or bonds, or that an investment firm is recommending that its clients do so.

Is it time to get out of the stock market? The answer depends on who you are, how you feel about the market and when you expect to need the money you have invested.

When mutual funds or investment firms decide it is time to move money around, they are involved in a process known as asset allocation, which means determining how a portfolio should be divided among the various financial markets.

As the stock market alternates between surging to new highs and sending the Dow Jones industrial average down 247 points in one day, as was the case Friday, legions of analysts have very differing views on asset allocation.

Standard & Poor's Corp. is among those advocating a conservative approach. In late July, S&P said that given the market's high levels, "we wouldn't go above a 45 percent stock allocation." Of the remaining holdings, S&P suggested investors put 30 percent into bonds, keeping 25 percent in cash, which typically means money-market accounts or funds.

Earlier this month, S&P declared the "market is overbought," and advised clients that it was a bad time to invest

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more money in stocks. After the performance of the past two weeks, in which the Dow lost 565 points, this would appear to be true.

S&P's ratios are close to those of investment firms, including Smith Barney Inc., Salomon Brothers Inc. and Merrill Lynch & Co.

But it is important to keep in mind that it is the job of people who oversee mutual funds or make recommendations for investment firms to get big returns while trying to minimize risks for their customers. They put together model portfolios that are a guideline for investors.

What works for one customer may not work for another. The circumstances of each investor's life and finances — and maybe not the stock market's levels — determine how much money should go into stocks, bonds or cash.

# MARKETS: *Wall Street Gropes for Explanation for Friday's Fall*

**Continued from Page 1**

So far, the declines have been largely confined to the bigger stocks.

The Russell 2,000 index, which is made up of 2,000 companies whose market values are less than those of the top 1,000 companies in the country, is down just 2.9 percent since the peak last week, less than half as much as the Dow has lost. And while the Nasdaq composite is down 4.2 percent, the bulk of that loss has been accounted for by a few large companies that had previously been very strong.

Moreover, the decline has only reversed the gains of a few weeks.

At the peak, the Dow was up more than 50 percent — or 2,900 points — from the low reached in July 1996.

The index closed lower than its current level as recently as June 30.

Still, for investors who might be inclined to worry, the latest slide has shown how fast profits can vanish in some stocks.

Microsoft Corp. is down 12 percent from its high, while Merck & Co. has fallen 16 percent.

Coca-Cola and Gillette are each down 19 percent. All, however, are still up at least 10 percent since the end of last year.

One reason to hope for a revival on Monday is that much of Friday's fall — 113 of the 247 points the Dow lost — came in the final half hour of trading. And much of that may have been related to selling based on the expiration of some stock index futures and options contracts at the close of trading Friday. Such activity can cause markets to move farther that they otherwise would, in which case much of the move is often retraced when markets reopen the following week.

But the real question, regarding whether the latest fall will turn into something significant, or just be reminiscent of the spring swoon when the Dow fell almost 10 percent in a month, only to quickly recover, lies with individual investors.

Since the market recovered from the 1987 crash, individual investors have treated market weakness as a buying opportunity, and have put in money even when the professionals who manage that money have grown nervous. If that trend continues, prices will soon begin rising again.

## SHORT COVER

### Movement Reported in UPS Strike

WASHINGTON (AP) — As President Bill Clinton urged the Teamsters union and United Parcel Service of America Inc. to "redouble their efforts" to settle a two-week strike, the union and the company said Sunday there was movement at the bargaining table.

Labor Secretary Alexis Herman continued to play an active role in keeping both sides at the table before a new work week began.

Negotiators spent more than 60 hours in mediation between Thursday and Sunday.

### Israel in Accord with Bezeq Unions

JERUSALEM (Reuters) — Israel's government and labor unions agreed that 80 percent of the proceeds from the next public offering of government shares in Bezeq Israel Telecom would go to the company, the Treasury said Sunday.

A spokeswoman said the wide-ranging agreement should settle the issues that led Bezeq workers to walk off their jobs for more than 10 days last month.

Under the accord, reached between Finance Minister Yaacov Neeman and Histadrut labor federation secretary-general Amir Peretz, the government will make its best effort to complete a public offering for up to 10 percent Bezeq by the end of October.

The two sides also agreed that state-owned Bezeq, Israel's main telecommunications provider, would raise 250 million shekels ($71 million) through a bond offering.

### Italian Police Track Unpaid Taxes

MILAN (Reuters) — Italian tax police uncovered a total of 12 trillion lire ($6.75 billion) in unpaid taxes in the first seven months of 1997, newspapers said over the weekend.

The daily Il Sole 24 Ore said a report from the tax police to the Interior Ministry showed investigators found 12 trillion lire in unpaid levies on undeclared taxable assets and non-deductible costs.

Violations on value-added tax totaled a further 2.8 trillion lire. More than 3,200 people were found to be evading taxes, either partially or entirely, the daily Il Corriere della Sera said.

### Samsung Aerospace Posts a Loss

SEOUL (AFP) — South Korea's Samsung Aerospace Industries has reported a first half loss of 11.1 billion won ($12.4 million) but gave no comparable data for the six months to June last year.

The company said its sales in the period totaled 693.3 billion won, up 10.8 percent from a year earlier.

### Generation Xers: Tight With a Buck

New York (Bloomberg) — A new survey reports that Generation X, or people born since the early 1960s, is the most financially conservative group since the Great Depression.

A survey of 200 people aged 22 to 34 conducted at bank branches in New York, San Francisco and Washington, found that 61 percent are very concerned about saving for retirement and fully 90 percent are thinking about financial planning for the future.

"While Xers are savvy about their retirement needs, many are still unsure about where they should get financial help or buy investment products," said Charlene Stern, president of Stern Marketing Group.

### NordLB Says Merger Plan Still On

Frankfurt (Bloomberg) — Norddeutsche Landesbank Girozentrale denied a report in Der Spiegel magazine that its planned merger with Bankgesellschaft Berlin AG may collapse after the Berlin-based bank found weaknesses at NordLB units.

Der Spiegel claimed the merger may be abandoned after an initial study revealed weaknesses at NordLB's investment banking and large-client units, two areas Bankgesellschaft Berlin, Germany's eighth-largest bank, is looking to bolster.


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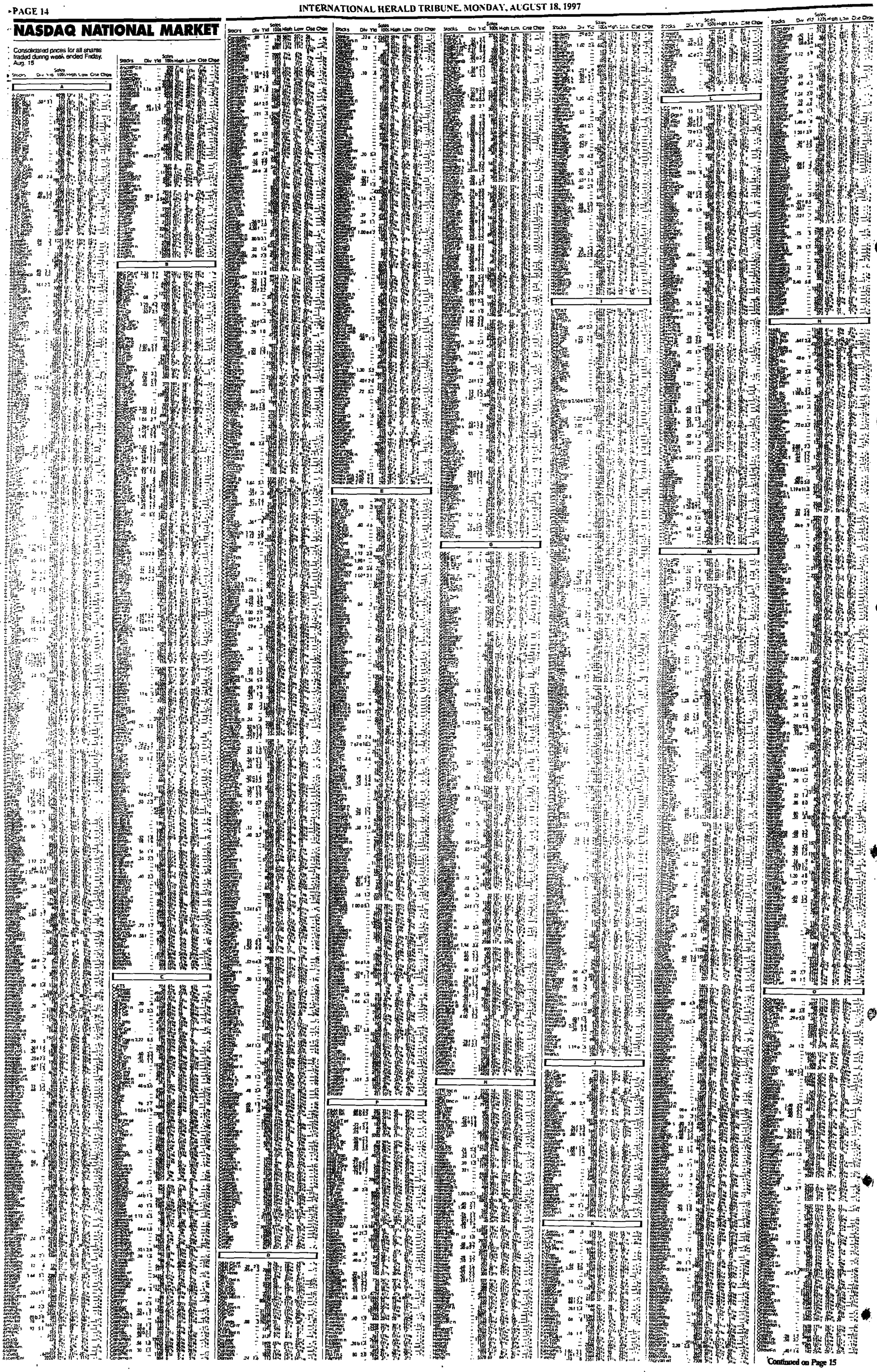
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# NASDAQ NATIONAL MARKET

Consolidated prices for all shares traded during week ended Friday, Aug. 15



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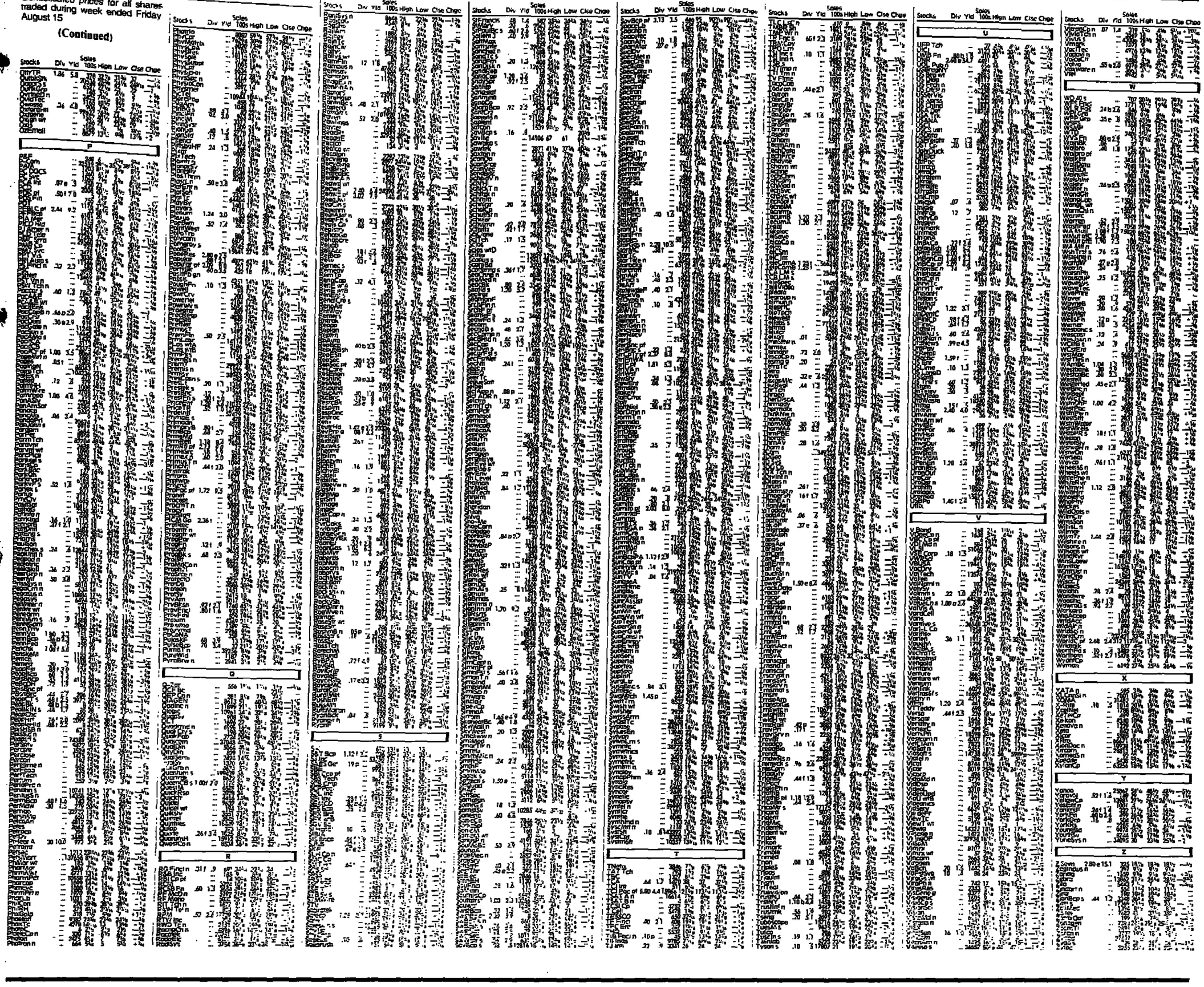
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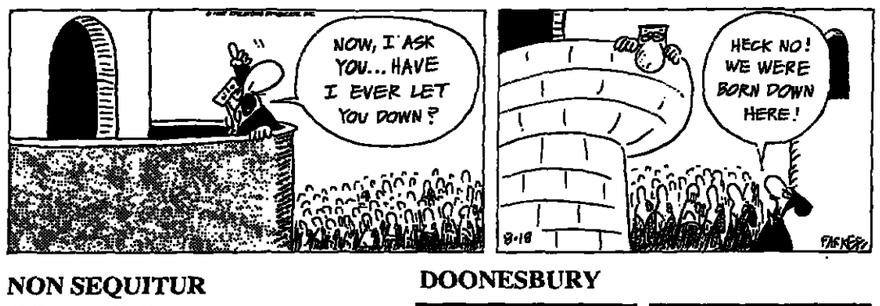

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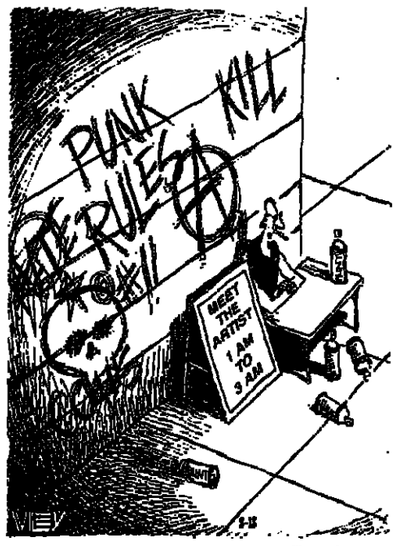

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## SPORTS

# Seles Defeats Huber For Toronto Hat Trick

*Compiled by Our Staff From Dispatches*

Monica Seles became the first woman to win three consecutive du Maurier Open titles with a 6-2, 6-4 victory Sunday over Anke Huber of Germany in Toronto.

Seles, the top seed, has won 40 women's Tour events in her career and

**TENNIS ROUNDUP**

beat Huber, the eighth seed, for the eighth consecutive time.

"This is my favorite tournament, that's for sure," Seles said.

On Saturday, Seles beat Conchita Martinez, 6-2, 7-6 (8-6), while Huber's semifinal opponent, Mary Joe Fernandez, retired hurt at the start of the third set.

• Yevgeni Kafelnikov, the top seed, beat Patrick Rafter, the No. 8 seed, 7-6 (7-4), 6-4, on Sunday in the final of the Pilot Pen tournament in New Haven, Connecticut.

On Saturday, the heat and humidity had proved almost too much for Kafelnikov in his semifinal match against Petr Korda.

"I almost hit the wall in the second set," Kafelnikov, the top seed, said. "It was almost impossible to play, and I don't know if I could have got through the third set."

Kafelnikov made certain that was not necessary by beating the fifth-seeded Korda, 6-4, 7-6 (7-4), as courtside temperatures at the Connecticut Tennis Center ranged between 115 and 120 degrees Fahrenheit (43 to 46 degrees centigrade).

Korda had a chance to square the match when he reached set point on Kafelnikov's serve in the second set. But Kafelnikov went on to hold service and win the tiebreaker.

"I didn't play well all week, but I kept on winning," said Korda.

Rafter, an Australian, eliminated Greg Rusedski in a night match delayed an hour after a cloudburst soaked Stadium Court.

Rafter beat 11th-seeded Rusedski, 7-5, 4-6, 6-3. Rafter remained poised while withstanding the blistering serves of Rusedski.

He got help from Rusedski, who lost the first set on his serve shortly after he was called for one of several foot faults.

• In Indianapolis, Carlos Moya of Spain, the No. 5 seed, and Jonas Bjorkman of Sweden, seeded 9th, advanced to the final of the RCA Championships with straight-set victories.

Moya beat No. 10 Wayne Ferreira of South Africa, 6-4, 6-2, to reach his fourth final of the year.

The match began less than 14 hours after Ferreira completed an exhausting quarterfinal match against Magnus Larsson of Sweden, ending with a 12-10 tiebreaker.

Bjorkman dominated unseeded Mark Woodforde of Australia in the opening semifinal, winning, 6-0, 6-2, to make sure of his first top-20 ATP Tour ranking.

Woodforde, who defeated Andre Agassi in a 2-hour, 16-minute match Friday, then played a winning doubles match, was exhausted.



Lori Waselchuk/The Associated Press

Cameroon striker Patrick Mboma, left, evading Zimbabwe's Francis Shonai in a World Cup qualifier Sunday.

# South Africa Takes Another Giant Step

## *National Soccer Team Qualifies for '98 World Cup Finals in France*

By Lynne Duke
*Washington Post Service*

JOHANNESBURG — Post-apartheid South Africa arrived on international soccer's greatest stage when its national team defeated the Congo Republic, 1-0, and secured a berth in the World Cup finals for the first time.

The victory Saturday of South Africa's national soccer team, affectionately known here as Bafana-Bafana — meaning "The Boys" in the Zulu language — marks another step in South Africa's attempt to establish world-class sporting bona fides in this new era of black-majority democracy, which dawned in 1994 with the first all-races elections and the end of apartheid, or white minority rule.

The victory also could improve South Africa's chances of becoming the first African nation to host a World Cup final.

The match, in the FNB Stadium also known as "Soccer City" in the Soweto section of Johannesburg, drew a heaving crowd well above the 80,000 capacity of the stadium.

South Africa, which was banned from world soccer from 1966 until 1994 as an expression of international opposition to the nation's systematic repression of blacks, needed only a tie against the Red Devils of Congo to secure a place in the World Cup finals, which will be held in France next year.

The winning goal came 14 minutes into the game when midfielder Doctor Khumalo, who plays for Major League Soccer's Columbus Crew, made an interception and passed to striker Phil Masinga, who blasted a shot just under the crossbar and past the reaching hands of Congo's goalie, Brice Samba.

"This is a day for all South Africans," the team's coach, Clive Barker, said. "We dedicate this match to all the players of the past who were denied the opportunity to play international football."

The victory sent the crowd into a frenzy of celebratory stomping and chanting in the kind of sport-inspired cross-racial festivals that have become symbols of the racial reconciliation that President Nelson Mandela has attempted to foster.

South Africa's sports madness crosses racial lines and has become a key feature in the post-apartheid era, in which people of all kinds thrive on the nation's newfound successes in the international arena. Such was the case with South Africa's hosting of, and victory in, the Rugby World Cup in 1995, when a sport that historically has been a bastion of the white minority was celebrated by all, no matter the hue.

Last year, South Africa emerged further into international sport in the Olympic Games, where the last of its five medals came with the surprising gold won by marathoner Josia Thugwane, then a humble maintenance man and shack dweller, who became an instant can-do symbol for the nation.

That same year, South Africa hosted, and won, the Africa Cup of Nations soccer finals.

Of all the sports played in South Africa, soccer is king. It is the sport of the people — meaning the black people, who are the majority in this nation of 40 million. But because the black majority continues to labor under the socioeconomic disadvantages that are the vestiges of white minority rule, the head of the South African Football Association, Danny Jordaan, said Saturday that a percentage of the roughly $761,000 awarded it from FIFA will go toward development of future world-class soccer players.

The victory Saturday over Congo Republic, with whom South Africa had been tied for first in Africa's Group 3, clinched a place in the finals in France.

The last time South Africa and Congo met, in April in Pointe Noire, Congo, the home team won amid much invective because of South Africa's later allegations of foul and overly rough play. One South Africa player, Mark Fish, was sent to the sideline with blood streaming down his face. And Bafana Bafana were upset at being forced to practice in what they called a "cabbage patch," and with their movements being restricted by gun-wielding Congolese soldiers.

Congo's Red Devils had their turn to complain when they arrived last week in Johannesburg. They rejected the hotel that had booked for their stay, saying it was in a seedy and crime-ridden part of town. Instead, they checked into a luxury, suburban hotel — to the complaints of South African officials, who initially told the media they did not know where the Red Devils were.

South Africans, whose nation is a final-five contender to host the 2004 Summer Olympic Games in Cape Town, showed their spite Saturday at Soccer City by booing after a choir sang the Congolese national anthem. And then, after their latest victory, they partied in the streets outside the stadium.

# Cameroon Tops Group To Continue Its Streak

*Compiled by Our Staff From Dispatches*

Cameroon became the first African nation to reach three consecutive World Cup tournaments when it secured a place in France next summer with a 2-1 victory over Zimbabwe on Sunday in Harare.

Nigeria, Tunisia, South Africa and Morocco had already clinched four of

**WORLD SOCCER**

the five African places in the finals by winning their qualifying groups.

Cameroon entered the final day of qualifying play on the continent two points ahead of Angola in Group 4.

Angola was held, 1-1, in Togo and had to settle for second spot.

Patrick Mboma was Cameroon's hero, scoring twice within 11 minutes early in the second half. The former Paris Saint-Germain striker, now based in Japan, had already scored four qualifying goals and he punished the lackluster Zimbabweans with two long-range goals.

The Indomitable Lions always looked like winners and the outstanding midfielder Bernard Tchoutang twice hit the frame of the goal.

Edelbert Dinha scored a late goal for Zimbabwe.

**FRANCE** Croatian striker Robert Spehar scored 14 minutes into his debut for Monaco and Victor Ikpeba scored twice as the champion beat host Lyon, 3-0, Saturday.

Monaco, which signed Spehar 48 hours earlier, won for the first time this season and is five points behind Paris Saint-Germain and Metz.

PSG went to the top on goal difference as two former Lyon players, Franck Gava and Florian Maurice, inspired a 3-1 home victory over Cannes.

Maurice set up the first goal for Marco Simone and Gava scored the second after Cannes tied on a penalty kick by Brian Jensen.

Rai, PSG's Brazilian captain, scored the third goal in the 89th minute to lift his club above Metz, 2-1, the winner at Chateauroux on Friday.

**SCOTLAND** Celtic's disastrous start to the season continued Saturday when it lost, 2-1, at home to Dunfermline in Scotland's Premier Division.

Newly promoted St. Johnstone advanced to the top of the rankings after winning, 1-0, at Motherwell.

On Saturday, Celtic went ahead in the 40th minute with an Andreas Thom penalty kick after Henrik Larsson was fouled by Hamish French.

A minute into the second half, David Bingham evened the score.

French made amends for his earlier foul 13 minutes from the end of regulation time by hitting the winner from a penalty spot after Malky Mackay had felled Allan Moore in the box.

The result left Celtic at the bottom of the Premier Division.

# *All Blacks Sweep Rugby Series*

*Reuters*

DUNEDIN, New Zealand — New Zealand started in dazzling style but spent the second half on the defensive as it beat Australia 36-24 to win its second successive Tri-Nations series, which also includes South Africa.

Playing with the wind in the first half, the All Blacks scored three tries to lead 36-0, but they ran out of steam in the second half and conceded four tries.

Taine Randall and Justin Marshall scored from close range following scrums. Christian Cullen, the New Zealand fullback, scored the other try with a dazzling run half the length of the field. But the winning margin was provided by the kicking of Carlos Spencer who converted all the tries and also kicked five penalty goals for a total of 21 points.

Joe Roff and Stephen Larkham scored quick tries for Australia at the start of the second half. Larkham scored again with 11 minutes to play and Ben Tune crashed over in the dying seconds.

New Zealand swept its three-match Bledisloe Cup series with Australia. It has won all eight tests this season.



Paddy Dillon/Agence France-Presse

Thaine Randall of New Zealand brushing past David Knox, 10, of Australia while Olo Brown, left, and Justin Marshall watch.

# SCOREBOARD

## BASEBALL

### MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

| EAST DIVISION | W | L | Pct. | GB |
|---|---|---|---|---|
| Baltimore | 75 | 43 | .636 | — |
| New York | 72 | 49 | .595 | 4½ |
| Boston | 61 | 63 | .492 | 17 |
| Toronto | 58 | 62 | .483 | 18 |
| Detroit | 56 | 66 | .459 | 21 |
| CENTRAL DIVISION | | | | |
| Cleveland | 63 | 56 | .529 | — |
| Chicago | 58 | 62 | .483 | 5½ |
| Milwaukee | 58 | 62 | .483 | 5½ |
| Kansas City | 51 | 68 | .429 | 12 |
| Minnesota | 51 | 71 | .418 | 13½ |
| WEST DIVISION | | | | |
| Seattle | 68 | 53 | .562 | — |
| Anaheim | 68 | 54 | .557 | ½ |
| Texas | 59 | 63 | .484 | 9½ |
| Oakland | 50 | 74 | .403 | 19½ |

NATIONAL LEAGUE

| EAST DIVISION | W | L | Pct. | GB |
|---|---|---|---|---|
| Atlanta | 76 | 48 | .613 | — |
| Florida | 70 | 51 | .579 | 4½ |
| New York | 67 | 55 | .549 | 8 |
| Montreal | 61 | 60 | .504 | 13½ |
| Philadelphia | 44 | 75 | .370 | 29½ |
| CENTRAL DIVISION | | | | |
| Houston | 65 | 58 | .528 | — |
| Pittsburgh | 60 | 62 | .492 | 4½ |
| St. Louis | 55 | 67 | .451 | 9½ |
| Cincinnati | 53 | 68 | .438 | 11 |
| Chicago | 49 | 75 | .395 | 16½ |
| WEST DIVISION | | | | |
| San Francisco | 69 | 55 | .556 | — |
| Los Angeles | 67 | 56 | .545 | 1½ |
| San Diego | 60 | 63 | .488 | 8½ |
| Colorado | 59 | 64 | .480 | 9½ |

FRIDAY'S LINESCORES
AMERICAN LEAGUE

Seattle 100 000 002—3 8 1
Baltimore 000 120 01x—4 4 1
Ra.Johnson and Da.Wilson; Kamieniecki, A.Benitez (8), Ra.Myers (9) and Webster. W—Kamieniecki, 8-5. L—Ra.Johnson, 16-4. Sv—Ra.Myers (35). HRs—Seattle, Da.Wilson (11). Baltimore, Reboulet (3), Hammonds (17).

Second game
Seattle 201 030 020—8 13 0
Baltimore 020 000 100—3 4 0
Cloude, Spoljaric (7), Timlin (8), Slocumb (9) and Marzano; Key, Boskie (5), Te.Mathews (8), Mills (9) and Hoiles. W—Cloude, 1-1. L—Key, 13-7. HRs—Seattle, A. Rodriguez (17), Griffey Jr (38), Buhner (28).

Toronto 101 000 002 0—4 10 0
Cleveland 211 000 000 1—5 10 2
Person, Plesac (5), Quantrill (6), Crabtree (8) and B.Santiago, O'Brien (9); Colon, M.Jackson (7), Mesa (9), Assenmacher (10) and S.Alomar. W—Assenmacher, 4-0. L—Crabtree, 2-3. HRs—Cleveland, Giles (16), Thome (32), Branson (2).

Minnesota 002 000 002 0—4 8 0
Boston 000 003 010 1—5 11 1
Fr.Rodriguez, Swindell (6), Trombley (9), Guardado (10) and Steinbach; Gordon, B.Henry (8), Corsi (9), Lacy (10) and Hatteberg. W—Lacy, 1-1. L—Guardado, 0-4.

Kansas City 040 100 000—5 10 1
Detroit 000 201 000—3 6 1
Rusch, Carrasco (6), Casian (8), Olson (8), J. Montgomery (9) and Mi.Sweeney; Ju.Thompson, Miceli (7) and Casanova. W—Rusch, 5-8. L—Ju.Thompson, 11-9. Sv—J. Montgomery (9). HRs—Kansas City, Dye (4). Detroit, Easley (19).

Texas 000 200 000—2 5 0
New York 110 010 20x—5 12 1
Te.Clark, Bailes (7), Helling (7) and I. Rodriguez; Gooden, Stanton (7), M. Rivera (9) and Posada. W—Gooden, 6-4. L—Te.Clark, 1-4. Sv—M. Rivera (38).

Oakland 100 052 201—11 14 1
Chicago 101 020 002—6 8 1
Haynes, T. J.Mathews (6), D.Johnson (8), Mohler (9) and Mayne; Baldwin, T. Castillo (6), Foulke (7) and Fabregas. W—Haynes, 1-2. L—Baldwin, 8-13. HRs—Oakland, Stairs (19), Giambi (14). Chicago, Cameron 2 (12).

Anaheim 001 111 100—5 10 0
Milwaukee 001 101 000—3 9 2
C.Finley, P. Harris (8), Percival (9) and Td.Greene; Florie, Davis (6), Wickman (7), Do.Jones (9) and Matheny. W—C. Finley, 13-6. L—Florie, 3-4. Sv—Percival (20).

NATIONAL LEAGUE

Pittsburgh 000 131 000—5 13 1
Florida 100 110 012—6 12 0
Schmidt, Christiansen (7), P.Wagner (7), Rincon (7), M.Wilkins (8), Ruebel (8), Loiselle (9) and Kendall; L.Hernandez, F.Heredia (5), Stanifer (6), Cook (7), Vosberg (9), Powell (9) and C.Johnson. W—Powell, 4-2. L—Loiselle, 1-3. HRs—Pittsburgh, E.Williams (2). Florida, D. White (1).

Philadelphia 000 100 013—5 8 0
Houston 010 000 000—1 5 0
Schilling, Bottalico (9) and Lieberthal; Holt, R. Springer (9) and Ausmus. W—Schilling, 13-10. L—Holt, 7-9. HRs—Philadelphia, Brogna 2 (15).

Atlanta 000 020 000 000—2 6 0
St. Louis 000 000 002 001—3 7 0
(12 innings): Glavine, Wohlers (9), Embree (10), C. Fox (10), Cather (12) and J.Lopez; Aybar, Beltran (7), Frascatore (9), Fossas (10), Eckersley (11), C. King (12) and Difelice, Lampkin (10). W—C. King, 1-0. L—Cather, 0-3. HRs—Atlanta, Tucker (11). St. Louis, DeShields (11), McGwire (5).

New York 000 020 000—2 8 2
Colorado 021 000 21x—6 12 0
R.Reed, Lidle (7), Wendell (8) and Hundley; F.Castillo, DeJean (8), Dipoto (9) and Manwaring. W—F. Castillo, 9-10. L—R. Reed, 10-6. HRs—Colorado, L. Walker (36), Castilla (30).

Chicago 000 000 100—1 4 3
San Diego 002 210 00x—5 10 1
Trachsel, Batista (6), Pisciotta (8) and Servais; Hitchcock and Flaherty. W—Hitchcock, 8-7. L—Trachsel, 5-10. HRs—San Diego, Caminiti (15), Flaherty (8).

Montreal 000 000 101—2 9 1
San Francisco 101 112 00x—6 10 1
Mi.Johnson, DeHart (5), M.Valdes (7) and Widger; Rueter, Tavarez (8) and B. Johnson. W—Rueter, 9-5. L—Mi.Johnson, 0-1. HRs—Montreal, Widger (7). San Francisco, Bonds (29), Kent (24).

Cincinnati 010 300 100—5 7 0
Los Angeles 300 000 000—3 7 0
Remlinger, Sullivan (7), Belinda (8), Shaw (9) and Taubensee; Astacio, Dreifort (5), Hall (8) and Piazza. W—Remlinger, 6-4. L—Astacio, 7-9. Sv—Shaw (24).

SATURDAY'S LINESCORES
AMERICAN LEAGUE

Toronto 200 200 000—4 7 1
Cleveland 010 000 61x—8 10 2
Hentgen, Plesac (7), Quantrill (7), Janzen (8) and O'Brien; Juden, Shuey (6) and Borders. W—Shuey, 3-1. L—Quantrill, 5-5. HRs—Cleveland, Thome (33), Williams (26), Grissom (7).

Texas 003 000 110 3—8 14 0
New York 000 012 110 0—5 6 3
Oliver, Whiteside (6), Gunderson (7), Patterson (7), Wetteland (9) and Leyritz, Rodriguez (8); Pettitte, Nelson (7), Rivera (9), Mendoza (10) and Girardi. W—Wetteland, 7-2. L—Mendoza, 4-5. HRs—Texas, Stevens (13). New York, Curtis (11).

Seattle 201 201 500—11 11 0
Chicago 000 400 011—6 13 1
Moyer, Ayala (5), Wells (8) and Marzano; Drabek, Castillo (6), Castillo (7), Karchner (9) and Karkovice. W—Ayala, 8-4. L—Drabek, 9-8. HRs—Seattle, Martinez (20), Buhner (29), Sorrento (23).

Minnesota 030 010 000—4 10 3
Boston 104 000 70x—12 12 2
Bowers, Robertson (3), Ritchie (7), Guardado (7) and D.Miller; Wakefield, Wasdin (6), Hudson (8) and Haselman. W—Wakefield, 7-14. L—Bowers, 0-3.

Kansas City 100 010 000—2 7 0
Detroit 100 000 000—1 9 0
Appier, J. Montgomery (9) and Macfarlane; Jarvis, Gaillard (7), Brocail (9) and Casanova. W—Appier, 7-10. L—Jarvis, 0-3. Sv—J. Montgomery (10). HR—Kansas City, Damon (6).

Anaheim 024 011 100—9 12 1
Baltimore 100 027 00x—10 13 0
K.Hill, Da.May (6), James (6), Holtz (8) and Td.Greene; Krivda, Rhodes (4), Mills (7), Orosco (7), A. Benitez (8), Ra.Myers (9) and Hoiles, Webster (9). W—Rhodes, 8-3. L—Da.May, 0-1. Sv—Ra.Myers (36). HRs—Anaheim, Erstad (12), Salmon (22), Td.Greene (8), Edmonds (19).

Oakland 220 000 010—5 9 0
Milwaukee 001 040 001—6 8 2
Wengert, Groom (5), A.Small (8), Mohler (9) and Mayne, Molina (8); Eldred, Fetters (7), Do.Jones (9) and Matheny. W—Do.Jones 4-5. L—Mohler 1-9. HRs—Oakland, Stairs (20), Lesher (3). Milwaukee, Js.Valentin (12).

NATIONAL LEAGUE

Atlanta 000 112 010—5 10 0
St. Louis 300 000 000—3 7 1
Maddux, Bielecki (7), Cather (8), Wohlers (9) and Perez; Morris, Fossas (8), Petkovsek (8), Beltran (9) and Difelice, Lampkin (8). W—Maddux, 16-3. L—Morris, 8-8. Sv—Wohlers (29). HRs—Atlanta, McGriff (16). St. Louis, Lankford (24).

Philadelphia 000 001 112—5 12 1
Houston 020 010 000—3 5 1
Green, Gomes (7), Spradlin (8), Bottalico (9) and Parent, Lieberthal (7); Kile, Wagner (8) and Eusebio. W—Spradlin, 2-6. L—Wagner, 7-5. Sv—Bottalico (23). HRs—Philadelphia, Jefferies (11). Houston, Carr (3).

Montreal 000 021 230—8 12 0
San Francisco 002 000 021—5 8 0
Hermanson, Kline (8), D.Veres (8), Urbina (9) and Fletcher; Rapp, D. Henry (7), Poole (7), D. Darwin (8), R. Rodriguez (8), Mulholland (9) and Berryhill. W—Hermanson, 8-5. L—Rapp, 5-8. Sv—Urbina (19). HRs—Montreal, Segui (14). San Francisco, Bonds (30).

Pittsburgh 301 011 400—10 12 0
Florida 010 011 011—5 9 0
F.Cordova, Ruebel (6), Sodowsky (7), Christiansen (9) and Kendall; Saunders, Alfonseca (4), Stanifer (6), Vosberg (7), F.Heredia (9) and C. Johnson, Zaun (9). W—F. Cordova, 9-6. L—Saunders, 3-4. HRs—Pittsburgh, J. Guillen (12), Polcovich (4). Florida, Bonilla (14).

New York 000 013 001—5 12 2
Colorado 002 003 11x—7 13 0
Harnisch, McMichael (6), Rojas (8) and Hundley; R.Bailey, Holmes (6), Leskanic (7), DeJean (8), Dipoto (9) and Je.Reed. W—Holmes, 5-2. L—McMichael, 7-10. Sv—Dipoto (7). HRs—New York, Gilkey (12). Colorado, Burks (21).

Chicago 010 010 100 0—3 9 0
San Diego 000 010 020 1—4 10 2
Foster, Patterson (8), T.Adams (9), R. Tatis (10) and Servais; J.Hamilton, Hoffman (9) and Flaherty. W—Hoffman, 6-4. L—T. Adams, 1-7. HRs—San Diego, Caminiti (16), Mk.Sweeney (2).

Cincinnati 000 003 000—3 7 2
Los Angeles 005 000 00x—5 4 0
Mercker, R. Lewis (3), Fe.Rodriguez (5), Sullivan (7) and Taubensee; Park, Osuna (7), To.Worrell (9) and Piazza. W—Park, 12-6. L—Mercker, 8-9. Sv—To.Worrell (29). HRs—Cincinnati, Edu.Perez (12). Los Angeles, R.Cedeno (3), Piazza (27).

### JAPANESE LEAGUES

SATURDAY'S RESULTS
CENTRAL LEAGUE

Yokohama 2, Yomiuri 1
Yakult 7, Chunichi 1
Hanshin 5, Hiroshima 1

PACIFIC LEAGUE

Kintetsu 1, Lotte 0
Orix 6, Seibu 0
Nippon Ham 6, Daiei 2

SUNDAY'S RESULTS
CENTRAL LEAGUE

Yakult 1, Chunichi 1
Yomiuri 4, Yokohama 0
Hiroshima 6, Hanshin 4

PACIFIC LEAGUE

Orix 4, Seibu 2
Nippon Ham 6, Daiei 4
Kintetsu 7, Lotte 1.

## FOOTBALL

### NFL PRESEASON

FRIDAY'S RESULT

Dallas 34, St. Louis 31

SATURDAY'S RESULTS

Green Bay 35, Buffalo 3
Oakland 18, New Orleans 16
Arizona at Chicago, ppd., rain
Cincinnati 37, Minnesota 13
Washington 35, Atlanta 31
N.Y. Jets 27, N.Y. Giants 17
Philadelphia 24, Baltimore 13
Tampa Bay 24, Miami 10
San Diego 21, Tennessee 7
Seattle 45, Indianapolis 3.

### CFL

FRIDAY'S RESULT

British Columbia 39, Saskatchewan 26

SATURDAY'S RESULT

Montreal 36, Hamilton 26.

## GOLF

### PGA CHAMPIONSHIP

Scores Sunday from the third round of the $2.6 million PGA Championship on the 6,987-yard (6,288-meter), par-70 West course at Winged Foot Golf Club in Mamaroneck, N.Y.:

| | |
|---|---|
| Justin Leonard | 68-70-65—203 |
| Davis Love III | 66-71-66—203 |
| Tom Kite | 68-71-71—210 |
| Lee Janzen | 69-67-74—210 |
| Phil Mickelson | 69-69-73—211 |
| Jeff Maggert | 69-69-73—211 |
| Fred Couples | 71-67-73—211 |
| Scott Hoch | 71-72-68—211 |
| David Duval | 70-70-71—211 |
| Tiger Woods | 70-70-71—211 |
| Payne Stewart | 70-70-72—212 |
| Scott McCarron | 74-71-67—212 |
| Colin Montgomerie | 74-71-67—212 |
| Frank Nobilo | 72-73-67—212 |
| Tom Byrum | 69-73-70—212 |
| Paul Azinger | 68-73-71—212 |
| Chris Perry | 68-71-73—212 |
| Phil Blackmar | 70-68-74—212 |
| Shigeki Maruyama | 68-70-74—212 |
| Greg Norman | 68-71-74—213 |
| Tom Lehman | 69-72-72—213 |
| Paul Goydos | 70-72-71—213 |
| Jim Furyk | 69-72-72—213 |
| Jay Haas | 71-69-73—213 |
| Lee Westwood | 74-68-71—213 |
| Tim Herron | 72-73-68—213 |
| Stuart Appleby | 75-70-69—214 |
| Steve Elkington | 72-72-70—214 |
| Kenny Perry | 73-68-73—214 |
| Kirk Triplett | 73-70-71—214 |
| Hale Irwin | 73-70-71—214 |
| Joey Sindelar | 72-71-71—214 |
| Nick Price | 72-70-72—214 |
| Per-Ulrik Johansson | 73-69-73—215 |
| Eduardo Romero | 71-72-72—215 |
| Bob Tway | 68-75-72—215 |
| Vijay Singh | 73-66-76—215 |
| Bernhard Langer | 73-71-72—216 |
| Ronnie Black | 76-69-71—216 |
| Lee Rinker | 70-71-75—216 |
| Sam Torrance | 74-72-70—216 |
| Don Pooley | 72-74-70—216 |
| Taylor Smith | 71-71-74—216 |
| Retief Goosen | 72-70-74—216 |
| Ignacio Garrido | 70-71-75—216 |
| John Cook | 71-71-74—216 |
| John Daly | 66-73-77—216 |
| Paul Stankowski | 68-71-77—216 |
| Costantino Rocca | 69-69-79—217 |
| Steve Jones | 69-73-75—217 |
| Mark O'Meara | 69-73-75—217 |
| David Ogrin | 74-72-71—217 |
| Jesper Parnevik | 76-70-71—217 |
| Russ Cochran | 72-73-72—217 |
| Larry Mize | 71-73-73—217 |
| Thomas Bjorn | 72-68-77—217 |
| Olin Browne | 70-73-74—217 |
| Brian Henninger | 74-68-75—217 |
| Billy Mayfair | 75-68-75—218 |
| Craig Stadler | 72-72-74—218 |
| Tommy Tolles | 75-70-73—218 |
| Mark Calcavecchia | 71-74-73—218 |
| Robert Allenby | 67-77-74—218 |
| Doug Martin | 69-75-74—218 |
| Carlos Franco | 69-74-76—219 |
| Kevin Sutherland | 73-73-73—219 |
| Ernie Els | 70-76-74—220 |
| Loren Roberts | 76-70-74—220 |
| Steve Lowery | 72-69-79—220 |
| Andrew Magee | 71-70-80—221 |
| Pete Jordan | 76-70-75—221 |
| Peter Jacobsen | 74-72-75—221 |
| Lanny Wadkins | 72-72-77—221 |
| Yoshinori Kaneko | 72-73-76—221 |
| Fred Funk | 71-74-77—222 |
| Michael Bradley | 73-69-80—222 |
| Larry Nelson | 76-70-76—222 |

## SOCCER

FRENCH FIRST DIVISION

Nantes 0, Auxerre 2
Bordeaux 2, Rennes 2
Guingamp 0, Strasbourg 0
Lyon 0, Monaco 3
Montpellier 0, Marseille 0
Paris St Germain 3, Cannes 1
Toulouse 1, Bastia 1
Lens 0, Le Havre 0
Chateauroux 1, Metz 2
STANDINGS: Paris St Germain 9, 2, Metz 9; 3, Marseille 7, Bastia 7, Toulouse 7; Strasbourg 5; Le Havre 4, Monaco 4, Lens 4, Guingamp 4, Bordeaux 4; Lyon 3; Auxerre 2, Montpellier 2; Chateauroux 1, Rennes 1; Nantes 0, Cannes 0.

GERMAN CUP
FIRST ROUND

Hansa Rostock 0, Bayer Leverkusen 2
Eisenhuettenstadt 0, Hertha Berlin 4
Reutlingen 0, Arminia Bielefeld 3
Celle 0, 1860 Munich 2
Werder Bremen Amateurs 2, Wolfsburg 3
Kaiserslautern Amateurs 0, Kaiserslautern 5
Wacker 90 Nordhausen 1, Hamburg 3
Reinickendorfer Fuechse 0, Meppen 2
Luebeck 2, Fortuna Duesseldorf 1
Singen 0, Greuther Fuerth 2
Muenster 2, Mainz 2
(Mainz won 7-6 on penalties)
Neukirchen 0, Uerdingen 2
Halle 0, Eintracht Frankfurt 4
Trier 2, Unterhaching 1
Oldenburg 2, Stuttgart Kickers 4
Pansdorf 1, Energie Cottbus 4
Mannheim 6, Fortuna Cologne 2
Alemannia Aachen 0, Nuremberg 0
(Aachen won 4-3 on penalties)
Saarbruecken 1, Freiburg 0
Rot-Weiss Essen 1, Duisburg 2
Ulm 3, Cologne 1
Waldberg 1, Bayern Munich 16
Hanover 1, Borussia Moenchengladbach 1
(Hanover won 5-3 on penalties)
Moenchengladbach Amateurs 0, Stuttgart 1
Homburg Amateurs 2, Bochum 3
Chemnitz 1, Karlsruhe 3
Leipzig 2, Guetersloh 1
Zwickau 0, Schalke 1
Rot-Weiss Oberhausen 0, Werder Bremen 2
Warnemuende 0, Borussia Dortmund 8
Carl Zeiss Jena 1, St. Pauli 1
(Jena won 4-2 on penalties)
Waldhof Mannheim 2, Wattenscheid 2
(Mannheim won 4-3 on penalties)

SCOTTISH PREMIER DIVISION

Celtic 1, Dunfermline 2
Hearts 4, Aberdeen 1
Motherwell 0, St Johnstone 1
Dundee United 1, Hibernian 1

AFRICAN WORLD CUP QUALIFYING

GROUP ONE
Burkina Faso 2, Kenya 4 (halftime 1-2)
GROUP THREE
Zambia 2, Democratic Republic of the Congo 0 (halftime 1-0)
FINAL STANDINGS: South Africa 13; Congo 10; Zambia 8; Congo DR. 2
South Africa qualify for finals
GROUP FOUR
Togo 1, Angola 1 (halftime 0-1)
Zimbabwe 1, Cameroon 2
FINAL STANDINGS: Cameroon 13; Angola 9; Zimbabwe 4; Togo 1.
Cameroon qualify for finals.
GROUP FIVE
Morocco 2, Gabon 0

MAJOR LEAGUE SOCCER

Tampa Bay 2, Dallas 1
Colorado 2, New York-New Jersey 0
Columbus 2, Washington D.C. 0
STANDINGS: Eastern Conference D.C. 42; Tampa Bay 36; New England 28; Columbus 26; NY-NJ 19; Western Conference Kansas City 38; Colorado 35; Dallas 30; Los Angeles 26; San Jose 21.

## CYCLING

### ROCHESTER CLASSIC

Leading placings in the Rochester Classic, the 7th round of the World Cup, over 242 kms on Sunday:

1, Andrea Tafi, Italy, Mapei, six hours seven minutes 42 seconds; 2, Andrea Ferrigato, Italy, Roslotto, 43 seconds behind; 3, Gianluca Bortolami, Italy, Festina, same time; 4, Stephane Heulot, France, La Francaise des Jeux, s.t.; 5, Andrea Vatteroni, Italy, Scrigno, s.t.; 6, Max Sciandri, Britain, La Francaise des Jeux, 49 seconds; 7, Roberto Petito, Italy, Saeco, 55; 8, Daniele Nardello, Italy, Mapei, s.t.; 9, Alexandre Gontchenkov, Russia, Roslotto, s.t.; 10, Alberto Elli, Italy, Casino, s.t.

## RUGBY UNION

TEST MATCH
IN DUNEDIN, NEW ZEALAND

New Zealand 36, Australia 24
STANDINGS: New Zealand 15; Australia 6; South Africa 2.

## CRICKET

SRI LANKA VS. INDIA
ONE DAY MATCH
SUNDAY, IN COLOMBO

Sri Lanka: 302-4 in 50 overs
India: 300-7 in 50 overs
Sri Lanka def. India by 2 runs

ENGLAND VS. AUSTRALIA
THREE DAY MATCH
SUNDAY, IN CANTERBURY, ENGLAND

Kent: 201
Australia: 207-5

## TRANSITIONS

BASEBALL
AMERICAN LEAGUE

ANAHEIM — Activated OF Jim Edmonds from 15-day disabled list. Sent LHP Greg Cadaret to Vancouver, PCL.

BALTIMORE — Put RHP Shawn Boskie on 15-day disabled list.

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1991. COUPLES COMES OF AGE AT KIAWAH ISLAND.
*Written with R. Simmons. Designed & Illustrated by Dave F Smith • International Herald Tribune / Professional Sports Partnerships Ltd.*

# Clemens Notches 19th Victory

## *Cleveland Is Victim Of 11 Strikeouts*

*The Associated Press*

Roger Clemens struck out 11 in his 19th victory as the Toronto Blue Jays snapped Cleveland's four-game winning streak with a 10-5 victory over the Indians.

Clemens (19-4), who leads the majors in victories and is second in earned-run average, moved one victory away from his fourth 20-victory season and first since 1990 as he bids for his fourth Cy Young Award.

It was Clemens's third straight double-digit strikeout game, 11th this season and 79th of his great career. His ERA went from 1.66 to 1.78, still tops in the American League but second in the majors to Montreal's Pedro Martinez (1.70)

Cleveland had Clemens on the ropes Sunday, scoring three runs in the second on a bases-loaded double by Sandy Alomar. But 21-year-old rookie Jaret Wright couldn't hold the lead.

Wright (3-2), a hot prospect billed as Clemens-like, might have learned something from "The Rocket" in this one: Once he had a lead, Clemens smelled victory and slammed the door. After Alomar's double, he retired 14 of 16 with seven strikeouts until Alomar singled with one out in the seventh.

Clemens allowed four runs and six hits in seven innings, walking three.

**Mariners 5, White Sox 3** Ken Griffey hit his 39th and 40th home runs to take over the major-league lead, sending visiting Seattle to a 5-3 victory over Chicago in the first game of a doubleheader.

Griffey reached the 40-homer plateau for the fourth time in his career, and passed New York's Tino Martinez with his solo homer in the ninth.

It was the third multihomer game this season for Griffey, his first since April 25 — a three homer-game — against Toronto, and the 24th of his career.

Griffey homered to left-center field with one out in the first off Jaime Navarro (9-10), driving in Joey Cora who had doubled to put Seattle ahead 2-0. He homered off Chuck McElroy in the ninth, singled and doubled as the Mariners won their third straight.

**Red Sox 10, Twins 5** In Boston, Nomar Garciaparra extended his hitting streak to 20, tying Fred Lynn's team rookie record as Boston beat Minnesota and sent the Twins to their ninth consecutive loss.

Aaron Sele (12-9) allowed two runs and four hits in seven innings. He had a 11.25 ERA in his previous four starts.

Boston had 14 hits, including one by every batter.

Bob Tewksbury (4-9), activated from the disabled list prior to the game, allowed six runs an nine hits in four innings.

**Tigers 8, Royals 4** Travis Fryman drove in four runs and Damion Easley drove in three as host Detroit beat Kansas City and stopped a four-game losing streak.

Greg Keagle (1-2) won for the first time in nine career starts, allowing three runs and five hits in seven innings. Keagle struck out seven and walked none.

Jose Rosado (8-9) was pounded for six runs and five hits in 2⅓ innings, the shortest outing in 42 career starts.

Kansas City, which completed a 4-5 road trip, has not had a winning record on a road swing since June 13-15.

Johnny Damon hit a two-run homer for the Royals in the seventh, his second in two days.

*In a game played Saturday, The New York Times reported:*

**Rangers 8, Yankees 5** John Wetteland took the mound in Yankee Stadium Saturday for the first time since Charlie Hayes caught that famous foul pop in Game 6 last October and made the Yankees the World Series champions. But this time all Wetteland heard were boos.

Maybe that is why Wetteland was less than ecstatic after he notched the victory in Texas's 10-inning defeat of the Yankees — even though he pitched two perfect innings, even though he doubled and drove in a run in his first at-bat in more than three years.

But after the game, he still was not happy. Melancholy was more like it.

"There were mixed emotions because of coming onto the field to a chorus," Wetteland said, meaning a chorus of boos. "I guess I didn't expect it. People still don't get it. And that's very sad."

After the Yankees failed to make him a contract offer, he signed a four-year, $23 million pact with Texas last Dec. 16.

*In other games, The Associated Press reported:*

**Orioles 10, Angels 9** B. J. Surhoff broke out of a 1-for-15 slump in grand fashion, driving in six runs, half of them with a bases-loaded double in a seven-run sixth inning that rallied the Orioles past Anaheim in Baltimore.

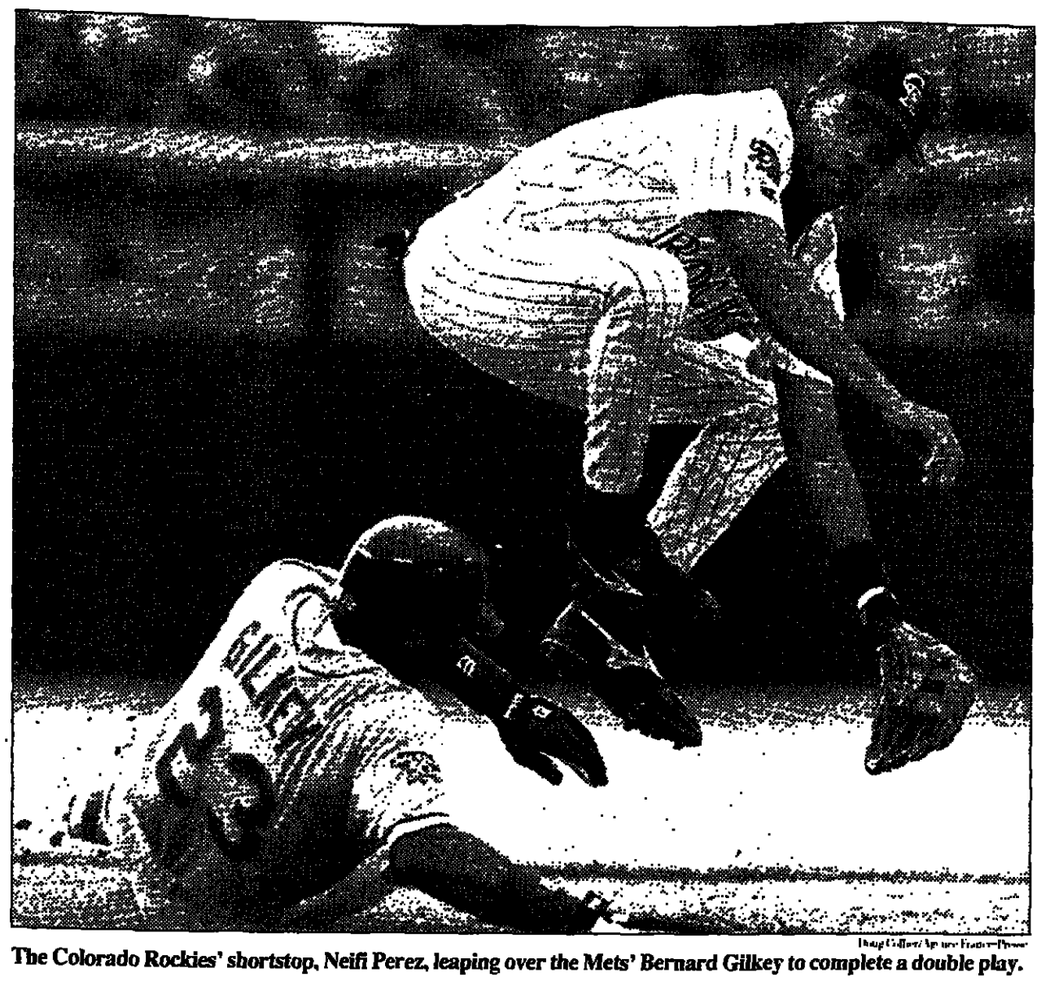
**Indians 8, Blue Jays 4** In Cleveland, Matt Williams and Marquis Grissom each homered during a six-run seventh inning, as the Indians beat Toronto.

**Mariners 11, White Sox 6** Edgar Martinez, Paul Sorrento and Jay Buhner hit home runs, leading Seattle to victory in Chicago in the first game of a scheduled doubleheader. But the second game was postponed until Sunday because of rain.

**Red Sox 12, Twins 4** In Boston, Nomar Garciaparra extended his hitting streak to 19 games, one short of the team's rookie record set by Fred Lynn in 1975, in the Red Sox's victory over Minnesota.

**Brewers 6, Athletics 5** In Milwaukee, Dave Nilsson, hitting just .222 against left-handers, singled off left-hander Mike Mohler with two outs in the ninth to drive in the winning run.

**Royals 2, Tigers 1** In Detroit, Kevin Appier allowed one run and eight hits in eight innings to win for the first time in nine starts for Kansas City.



Doug Collier/Associated Press

**The Colorado Rockies' shortstop, Neifi Perez, leaping over the Mets' Bernard Gilkey to complete a double play.**

# Maddux and McGriff Derail Cardinals, 5-3

*The Associated Press*

Greg Maddux overcame a three-run first-inning deficit and Fred McGriff hit a two-run homer to lead the Atlanta Braves over the St. Louis Cardinals, 5-3.

Maddux, who had allowed a total of only four first-inning runs in 26 previous starts this season, gave up a three-run homer to Ray Lankford in the first.

Maddux (16-3) had not won since July 27, with no decisions in his last three starts. He was lifted for a pinch hitter after throwing 66 pitches in six innings on a day when the temperature hit 93 degrees Fahrenheit (34 degrees centigrade) in St. Louis.

Mike Bielecki, Mike Cather and Mark Wohlers each pitched one hitless inning for the Braves, with Wohlers getting his 29th save.

Brian Jordan and Mark McGwire singled for St. Louis before Lankford connected for his 24th home run of the season.

Before the game, Maddux refused to allow Fox Television to attach a camera to the mask of his catcher.

According to a Fox spokesman, Maddux said he was afraid that the unusual camera angle would help opponents learn about his pitching mechanics.

Joe Buck, a Fox broadcaster, said Maddux was the first pitcher to refuse to allow the camera to be used.

The Cardinals' starter, Matt Morris, did not object to the camera placement, and the small device was attached to the mask of catcher Mike Difelice.

**Phillies 5, Astros 3** In Houston, Gregg Jefferies hit a two-run homer in the ninth inning off Houston closer Billy Wagner, and the Philadelphia Phillies beat the Astros for their sixth straight victory.

The Phillies last won six in a row in June 1995. They have won 14 of 17 overall.

Houston's starter, Darryl Kile, trying to win his 10th consecutive decision and become the National League's first 17-game winner, took a 3-2 lead into the eighth. But Scott Rolen led off with a single, and Wagner relieved with two outs and gave up a tying single to pinch hitter Kevin Jordan.

Wagner walked Mickey Morandini with one out in the ninth and Jefferies hit his 11th homer of the season over the left-field fence.

**Expos 8, Giants 5** Dustin Hermanson struck out eight in seven innings and Montreal won in San Francisco, stopping a four-game losing streak.

David Segui put Montreal in front to stay with a sixth-inning home run. Mike Lansing had three hits and Mark Grudzielanek went 2-for-4 and scored twice.

Barry Bonds hit a two-run homer in the Giants' eighth, his second home run in two days and his 30th of the season. Bonds lined out with two runners on base in the ninth after Darryl Hamilton's run-scoring double.

Hermanson allowed two runs and three hits for his fourth straight victory.

Pat Rapp went 6⅓ innings, allowing five runs and five hits. He was hindered by control problems, walking four, throwing two wild pitches and hitting a batter.

**Pirates 10, Marlins 5** Jose Guillen, a rookie, homered and had a season-high five runs batted in to lead a 12-hit attack as Pittsburgh won in Miami.

Guillen hit a three-run homer in the seventh and Kevin Polcovich followed with his fourth homer for a 10-3 lead. Guillen also had a run-scoring single and a run-scoring groundout.

Francisco Cordova, ejected in the second inning of his start last week against Florida, bounced back to win his third consecutive decision, allowing three runs in 5⅔ innings.

**Rockies 7, Mets 5** In Denver, Larry Walker went 3-for-3 and Andres Galarraga increased his league-leading runs batted in total to 113.

Walker singled, doubled, tripled and walked, raising his average to .380. Ellis Burks hit his 21st homer as the Rockies overcame a 4-2 deficit and won for the seventh time in 10 games.

New York, which made three errors, has lost six of eight.

Bernard Gilkey, who had been hitting .088 in August (3-for-34), went 4-for-4 with his 12th homer.

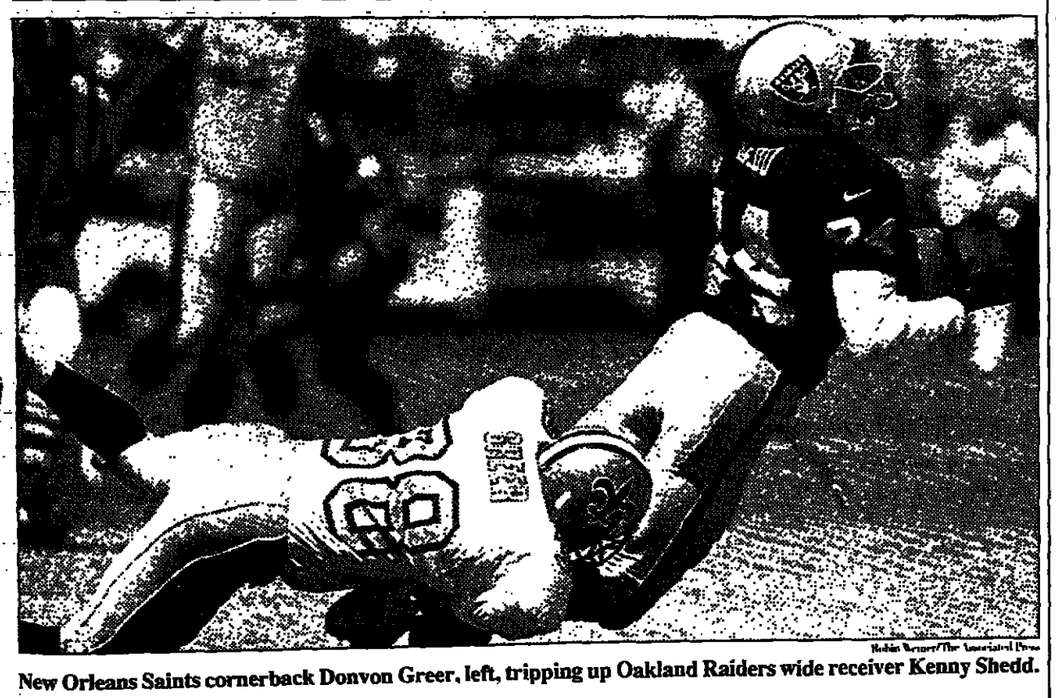
**Padres 4, Cubs 3** In San Diego, Mark Sweeney tied the score with a pinch two-run homer in the eighth and Steve Finley singled in the winning run in the 10th.

Kevin Foster took a three-hitter into the eighth but allowed a leadoff single to Chris Gomez and Sweeney's second pinch homer of the season.

Quilvio Veras reached on a one-out double in the 10th, took third on a wild pitch by Ramon Tatis and scored on Finley's hit.

**Dodgers 5, Reds 3** In Los Angeles, Roger Cedeno and Mike Piazza hit consecutive homers in the third inning, and Chan Ho Park won for the seventh time in eight starts. Park allowed three runs and six hits in six innings, struck out eight and walked none.

Todd Worrell pitched a perfect ninth for his 29th save. Los Angeles won despite getting just four hits — none after Piazza's homer in the third.



Robert Seguin/The Associated Press

**New Orleans Saints cornerback Donvon Greer, left, tripping up Oakland Raiders wide receiver Kenny Shedd.**

# *Parcells's Jets Strike Back at Giants*

*The Associated Press*

In the New York battle between coach Bill Parcells's new team, the Jets, and his old team, the Giants, the Jets won the preseason round.

Glenn Foley threw a 40-yard touchdown pass to rookie Dedric Ward and the Jets overcame a 10-point second-half deficit by scoring on four consecutive long drives to beat the Giants, 27-17.

"The most positive thing for me as a coach is you wonder what your team can do when it's down by 10 points," Parcells said after beating the team he led to two Super Bowls for the second time in as many tries. "That comeback in itself is encouraging."

Adrian Murrell scored on a 1-yard run to start the rally and John Hall kicked field goals of 23 and 29 yards as the Jets (3-0) put together scoring drives of 77, 75, 65 and 51 yards.

Dave Brown threw a 5-yard touchdown to Chris Calloway and Tito Wooten returned a fumble 32 yards for another score as the Giants (1-2) lost their second straight under Jim Fassel.

**Seahawks 45, Colts 3** John Friesz, Seattle's quarterback, finally got untracked, passing for three touchdowns in the first half to rout visiting Indianapolis. Friesz and the Seahawks' No. 1 offense handed a 24-0 lead to backup Warren Moon after connecting with Joey Galloway for an 11-yard touchdown pass early in the second quarter.

The Colts' starting quarterback, Jim Harbaugh, completed 3-of-9 passes for 25 yards in three series.

**Chargers 21, Oilers 7** In Nashville, San Diego beat Tennessee to remain unbeaten in three exhibition games but lost running back Gary Brown and three others with injuries.

**Raiders 18, Saints 16** In Oakland, Cole Ford kicked a 50-yard field goal into the wind to give the Raiders a victory over New Orleans.

**Bucs 24, Dolphins 10** In Tampa, Trent Dilfer ran 2 yards on a perfectly executed quarterback bootleg play for Tampa Bay's first TD in three preseason games. He later threw 7 yards to Karl Williams for a 14-10 halftime lead over Miami.

The Dolphins (2-2) gave up a touchdown on special teams when the Bucs' LaCurtis Jones blocked John Kidd's punt and Al Harris recovered in the end zone.

Miami scored on Karim Abdul-Jabbar's 35-yard run and Olindo Mare's 25-yard field goal set up by Dan Marino's 23-yard completion to Fred Barnett.

**Bengals 37, Vikings 13** Cincinnati won at home after its defense made four sacks and caused four Minnesota turnovers.

The Vikings were shut out until the closing minutes and never got going. Brad Johnson, the starting quarterback, played little more than a half and threw two interceptions and fumbled once.

**Redskins 35, Falcons 31** In Atlanta, the Falcons were the better team when the starters were on the field. But Washington won the battle of the backups — and the game.

Atlanta, behind Chris Chandler's three touchdown passes, built a 28-6 lead in the first half, but Washington rallied for victory as Mark Hartsell threw a 10-yard touchdown pass to Christopher Sanders midway through the fourth quarter.

**Eagles 24, Ravens 13** In Philadelphia, running back Charlie Garner had a total of 72 yards and a touchdown as the Eagles won their first exhibition game.

Baltimore, which dropped to 0-3 in the exhibition season, did not have an offensive touchdown, scoring on Jermaine Lewis's 74-yard punt return and two Matt Stover field goals.

• Heavy rains and wicked lightning force the postponement of Saturday night's exhibition game between the Arizona Cardinals and the Bears in Chicago.

### ■ Pace and Rams Reach Deal

Orlando Pace, the top pick in the National Football League draft, agreed to a record rookie deal, worth $29.4 million with the St. Louis Rams.

The Rams say the contract numbers are bloated by a seventh year, insisted upon by Pace's agents, that calls for Pace to make a base salary of $2.1 million along with a $9 million bonus for simply making the roster.

The Rams were irritated that Pace, a 320-pound offensive tackle, has missed training camp. Jay Zygmunt, the team negotiator, said Pace will never see the money for the final year of his contract: Either he'll be a free agent then or his deal will be reworked, according to the way the contract is worded.

The deal far exceeds the seven-year, $22 million contract Oakland gave defensive lineman Darrell Russell, the second player picked.

THIS WEEK ON EUROSPORT

Two of the biggest rivals in world football meet for the first derby of the season; can Barcelona's new line up triumph over Real Madrid?

Football:

21 - 23 August, LIVE, Barcelona v Real Madrid
Games between Real Madrid and Barcelona are always volatile and both sides will want to start the season with victory over their great rivals and to lift the Spanish Supercup

Swimming:

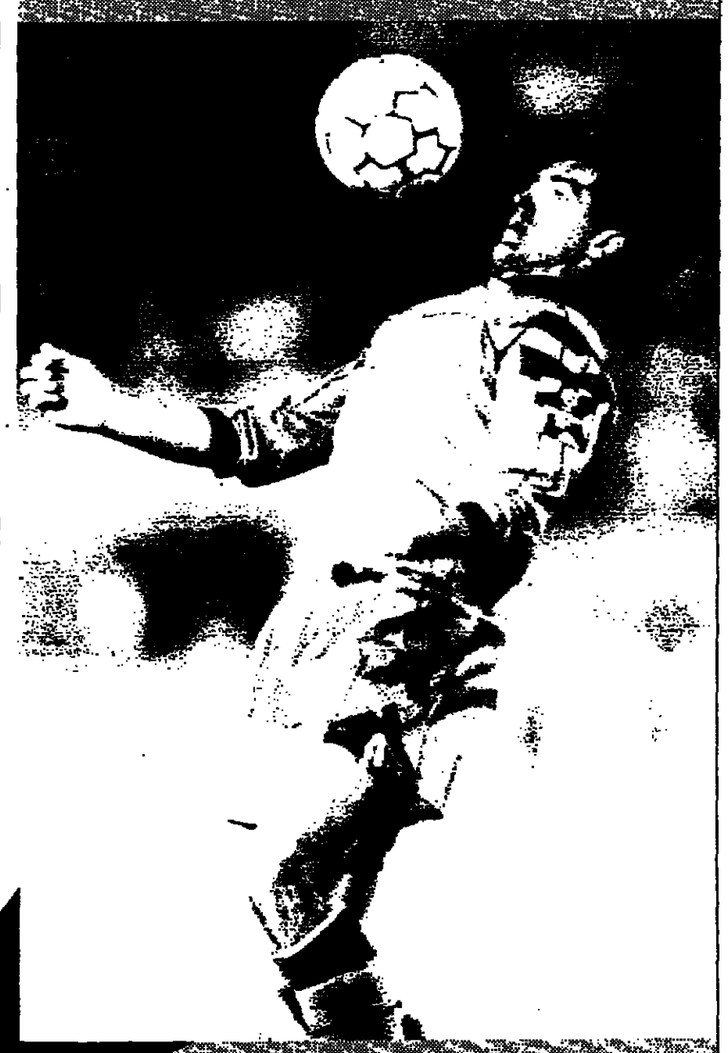
18 - 24 August, LIVE, The European Championships, Seville
Athletes from disciplines as varied as water polo, diving, synchronised swimming and racing will compete in Spain

Touring Cars:

23 - 24 August, LIVE, The German Touring Car Championship
Live coverage of the qualifying session and highlights of the race in the latest round of one of the most competitive series in world motor racing

Football:

19 August, LIVE, AC Milan v Juventus, Milan
Two of Italy's top sides clash in the San Siro to decide the Berlusconi Trophy



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SPORTS



## WORLD ROUNDUP



AP

**Andrea Tafi enjoying his victory in Rochester on Sunday.**

### Tafi Breaks Away

**CYCLING** Andrea Tafi made a late breakaway Sunday to win the seventh round of the World Cup through Kent in southeast England.

Tafi, an Italian who rides for the Mapei team, escaped from four coleaders in the final 14 kilometers (8.5 miles) of the 242-kilometer Rochester Classic to finish 43 seconds ahead of Andrea Ferrigato, who outsprinted a third Italian, Gianluca Bortolami.

Rolf Sorensen, a Dane, remained the overall World Cup leader. *(Reuters)*

### Johnson Falls Again

**ATHLETICS** Michael Johnson, the 200 meters world record holder and Olympic champion, was comprehensively beaten over the distance Sunday in a low-key athletics challenge meeting in London.

Johnson, running for an international select team, finished fifth in a pedestrian time of 20.87, one-and-a-half seconds outside his world record 19.32, as veteran Welshman Doug Turner, 31, won in 20.73.

"I wasn't sure if Johnson was running and I didn't even run a particularly good race," said Turner. *(Reuters)*

### Sri Lanka Beats India

**CRICKET** Sri Lanka scraped to a two-run victory Sunday in a one-day international in Colombo, despite a world record partnership of 223 by India's Mohammad Azharuddin and Ajay Jadeja.

India lost its first four wickets for 64 runs in the first 11 overs. Then Azharuddin hit 111 not out and Jadeja 119. India, chasing Sri Lanka's total of 302, reached 300 runs for seven wickets in 50 overs.

Earlier opener Marvan Atapattu scored his maiden one-day century to guide Sri Lanka to a formidable 302 for four after India won the toss and put the home side in.

• Batsman Mark Ramprakash has been recalled by England for the final Ashes test against Australia beginning at The Oval on Thursday. The Middlesex captain, 27, replaces Lancashire's John Crawley for the sixth test. Australia has already made sure it will retain the Ashes. *(Reuters)*

### The End of the Ponytail

**SOCCER** The most famous locks in world soccer have been given the chop.

Roberto Baggio turned up for training in Bologna this weekend with his hair cropped short, and his trademark "divine" ponytail a thing of the past.

"I was tired of having long hair," the Italian striker said after training with his new club Bologna. "My family agreed and my wife Andreina gave it the final snip."

He said it now lies in a drawer in his house in Caldogno, northern Italy. *(Reuters)*

# Leonard Sets Record With 5-Under-Par 65

By Leonard Shapiro
*Washington Post Service*

MAMARONECK, New York — Justin Leonard, the 25-year-old who won the British Open last month, set a course record with a 5-under-par 65 in the storm-interrupted third round of the 79th PGA Championship at Winged Foot Golf Club.

However, Davis Love 3d was nearly as good, finishing Saturday's round with

**PGA CHAMPIONSHIP**

a 66 that left him and Leonard tied for the lead at 7-under 203 — and the only players under par for the tournament.

A thunderstorm delayed the PGA Tour's fourth, and final, major of the year for more than an hour and a half. When play resumed, Leonard completed his round with a birdie. But Love also birdied the 18th, giving him a share of the lead going into the final round of a major for the first time in his career.

The second-round leader, Lee Janzen, shot a 4-over-par 74 and fell into a tie for third place with Tom Kite at even par for the tournament. Tiger Woods, who shot 71 Saturday, Fred Couples (73) and Phil Mickelson (73) were among six players tied at 1-over.

If the nasty storm that sent canvas tents flapping and spectators scurrying for safety had occurred 15 minutes earlier, Mickelson might not have played the 16th hole.

Instead, he triple-bogeyed the hole to fall from 3-under. Mickelson, who also had a double bogey at the relatively benign 515-yard (471-meter) 5th, needed five shots to escape the rough at the 457-yard 16th and get his ball on the green, where he two-putted for 7.

It also was a day of struggle for Woods. He moved to 2-under for the tournament and within three shots of the lead through 16 holes, only to make his second double bogey of the day, this one at No.17, then compound that mistake with a bogey at the 18th.

There was some concern that Woods, who appeared to be limping slightly as he made his way up the 18th fairway, might have suffered an injury while taking several mighty swings in the tall grass. He has suffered in the past from groin pulls, but when asked if he had hurt himself on the course, he smiled and said: "Yeah, I did. I hurt my ego. Physically, I'm fine."

Emotionally, that may not be the case. Woods was left shaking his head in dismay at doing what he called "something that dumb" on the final two holes.

"That's not what you want to do," said the 1997 Masters champion, knowing his chances of becoming the youngest player to win two majors in a single year have dimmed considerably.

Fred Couples, only two shots off the lead at the start of play Saturday, had bogeys on his first two holes. Janzen, the leader by a shot over Love after 36 holes and his playing partner in the last group Saturday, had four bogeys and no birdies on his card. A drive into deep right rough at the 14th hole cost him a bogey that left him at 1-under-par for the tournament when play was halted.

Jeff Maggert, the fourth-place finisher at the U.S. Open, was also in the group at 1-over.

Leonard, who came from five shots behind to catch Jesper Parnevik last month at Royal Troon with a final-round 65 that secured the British Open title, and Love clearly were following the same approach of playing somewhat conservatively in trying to keep tee shots in the fairways and trying to strike second shots into the middle of most greens.

"Hitting greens and fairways and two-putting is something I've enjoyed doing every day here," said Leonard. "The British Open had a big effect on what I've been doing this week."

Love also looked confident Saturday, making routine pars on his first four holes before hitting a second shot at the par-5 fifth to within 14 feet of the cup. He barely missed the eagle putt, but his tap-in birdie got him a share of the lead with Janzen, who parred the hole.

Love's best work of the day probably came at the 442-yard 8th hole. His iron off the tee was pushed right and hit a towering beech tree about 120 yards away and dropped straight down into the high grass. He managed to get a club on the ball and move it another 100 yards down the fairway, then hit his best shot of the day — a middle-iron 200 yards to about eight feet from the cup.

He made the putt for an amazing par, then sandwiched birdies at the 12th and 14th around a bogey at 13 for a 6-under score when play was suspended.



AP

**Greg Norman suffering after missing a birdie putt in the final round.**



Dave Martin The Associated Press

**John Daly studying a putt at No. 7 during the PGA's final round Sunday.**

# Tolles Posts 284 at PGA, Raising Ryder Cup Hopes

*Reuters*

MAMARONECK, New York — Tommy Tolles, battling to win one of the 10 U.S. Ryder Cup berths that will be settled by Sunday's finish, ended a frustrating tournament on a high note by firing a 4-under 66 for a 4-over-par total of 284.

The golfers set off on another hot and humid day Sunday that again held the threat of a thunderstorm.

The rain from Saturday's fierce thunderstorm, which suspended play for nearly two hours late in the third round, has softened the course and allowed a more aggressive approach to Winged Foot's small, undulating greens.

■ **Webb Wins Women's Open**

Karrie Webb of Australia had her worst round Sunday in the Women's British Open in Sunningdale but still won by eight strokes with a tournament-record 19-under-par total of 269, The Associated Press reported.

Webb, who shot a course-record 9-under 63 Saturday to gain an 8-stroke lead, mixed three bogeys and four birdies in a final round 1-under-par 71.

Rosie Jones birdied the 18th for a 71 and finished second on 277. Annika Sorenstam, ranked No. 1 in the world, was third at 278 after her best round of the tournament, a 67.

Webb easily bettered the tournament record of 274 set by Jane Geddes in 1989, and her 8-stroke winning margin equaled that of Karen Lunn, who beat Brandie Burton by that margin in 1993. Burton was fourth this time at 280 after a final 67.

It was Webb's second British Open championship in three years and her second victory on the LPGA this season. She won the Susan G. Komen International in South Carolina in April.

"I played great golf all week and everything just fell into place," she said. "The British Open is such a special tournament to me because it's the first one I ever won."

The sunny weather of the first three days gave way to gloom and rain, and Webb's sparkling form also lost its shine. Webb, 18-under after three rounds, lost three strokes to Jones in the first three holes. Jones's challenge ended with a bogey at the par-4 10th as Webb had three birdies on the back nine.

Lisa Hackney of England eagled the par-5 12th en route to a 71. She finished at 281, along with Catriona Matthew of Scotland. The defending champion, Emilee Klein, shot a 75 for 288.

# Yet Another Rough Day Tests Daly's Temper

*The Associated Press*

MAMARONECK, New York— John Daly's rocky return to major championship golf took another bumpy twist Sunday when he engaged in a sharp verbal exchange with a rules official in the final round of the PGA.

The tense confrontation came one day after Daly tossed his driver over a fence on the 12th hole after a wild tee shot.

Daly, trying to drive the 324-yard sixth green, hit an extreme hook that ended up behind a rain shelter near the seventh tee Sunday. He had an angle to the green, but his line of sight to the pin was obstructed.

A PGA Championship rules official was called in, but Daly was denied relief because the shelter was an immovable obstruction.

Daly asked to appeal to a PGA Tour official but was denied the request. The PGA Tour and the PGA Championship are run by different bodies.

"I had something like this at Hartford and got a drop," an angry Daly said to Ed Hoard, a PGA Championship rules official. "You guys are making different rulings every day. This is ridiculous."

Daly hit a flop shot from the rough short of the green, then chipped up and missed his putt and made a bogey. After hitting the shot from behind the shelter, Daly made a move to smash his club against the shelter then thought better of it.

Daly finished the front nine with a 36 and shot a 34 on the back for a 70 to finish at 6-over-par 286.

Daly, continuing a return from his second stay in an alcohol rehabilitation center, started the PGA with a 66 Thursday, stayed in contention with a 73 Friday, then fell out of the picture with a 77 Saturday when he was spraying his tee shots wildly.

After bombing his drive off the 12th tee over the trees to the 17th fairway, Daly was so frustrated, he threw the club over a fence. Several well-dressed fans then dashed over the chain link to get a souvenir, even though it landed in a patch of poison ivy.

On Sunday, Daly was again missing fairways.

A typical Daly hole was the par-5 fifth hole, where he drove way left, then hit a wild shot into the right rough, blasted from the tall grass to 2 inches and tapped in a birdie.

On No. 8, Daly was so far right his ball landed in the rough next to the bunker on the 16th hole of the East Course. The tournament is being played on the West Course. He made a bogey.

His tee shot with a 3-wood on the ninth hole was 30 yards into the rough on the right, but he hit his next shot over the trees to the green and made a par.

# *A New Low in Trading Tactics: Just Ask McManaman*

*International Herald Tribune*

*European Soccer* **ROB HUGHES**

LONDON — Steve McManaman is the epitome of soccer's modern generation. In full flow, he has balance, skill and cheek that make cynical men drool; in life he enjoys pop-star trappings.

But today, he feels used. He realizes he has been a pawn in a transfer triangle that flew him from Liverpool to Barcelona and back, during which time he may never have been more than a backstop in case Barcelona failed to sign the man it really wanted — Brazil's Rivaldo.

On Monday morning, McManaman, valued at $20 million, will be back on familiar ground, training with Liverpool. Rivaldo, less of a star but undeniably more of a goal scorer, has departed Deportivo la Coruna for a $25 million fee and an annual $3 million salary.

All else is open to interpretation. The intrigues of soccer trading would seldom pass a truth test, but this tripartite affair plumbs new depths.

A week ago, life was routine to McManaman. He believed himself to be Liverpool's mainspring and says he never wanted more than to perform for the club where he served his apprenticeship. His personal adviser happens to manage The Spice Girls, and McManaman writes a column in The Times of London.

Happiness was such an uncomplicated thing. A phone call changed that. He was told Liverpool's board had accepted Barcelona's millions and, surprised that *his* club would even contemplate that, he journeyed to Barcelona last Friday with two advisers.

There he sat, and sat, and sat. McManaman's agent told the media that if Barcelona was willing to pay $20 million to Liverpool it could afford $20 million to McManaman over six seasons. Nobody from Barca called even to say hello.

"My adviser spoke to Joan Gaspart, Barcelona's vice president, on a mobile telephone, and that was only a brief conversation," McManaman later stated. "Gaspart seemed to be elsewhere negotiating with another player. I think it is ridiculous — and actionable — to suggest the deal fell through because I am greedy."

Barcelona, however, encouraged the suggestion. The club had sent Bobby Robson, an Englishman deposed as coach last spring and a man instantly recognizable at any English soccer field, to scout McManaman, while it also negotiated with covering Denilson of Sao Paulo, and Rivaldo of Coruna.

Denilson's demands were too high. Rivaldo accepted the wages for which McManaman was called greedy. And three factors made up Barcelona's mind:

Rivaldo has a sweet left foot, which will give Barcelona balance. He scored 21 goals in Spain last season. He joins two other Brazilians, all of whom speak Spanish, at Nou Camp.

The goals speak for themselves. McManaman has never scored for England and in 289 Liverpool games has hit only 42 goals. He often controls the tempo but without finishing his chances. His wispy physical appearance belies strength of character, and every romantic among us has thrilled to his guile. Though Macmanaman bridles at the notion, he has been central to Liverpool's "underachievement."

Team manager Roy Evans uttered that assessment after successive seasons.

Evans said that McManaman shone because the team was set up for him. McManaman, so refreshing in the joy he displays, appears not to read the signals.

Evans is busy recasting Liverpool's team. He let John Barnes, who supplied McManaman, go to Newcastle United for free. He paid $6.7 million to bring the forceful Paul Ince back from Italy, $6 million to buy another dynamic midfielder — Oyvind Leonhardsen of Norway — and $2.9 million for Karl-Heinz Riedle, the German whose headers won the Champions' Cup, for Borussia Dortmund.

Simply giving the ball to McManaman is a dated concept. Opponents knew that if you stopped McManaman, you stopped Liverpool.

Coach Evans, under pressure to deliver, can afford no sentimentality. He is buying in steel, eschewing fantasy. McManaman was once so indispensible that he had to play, fit or not.

That is over. There is a price that, sooner or later, somebody will pay. Meanwhile, he is a player in Liverpool's pool and, meanwhile, $20 million is the same sum Liverpool is spending on an academy, a training school for the new McManamans.

He has, indeed, been used. Outstanding among Englishmen, he nevertheless finds that the freedom given to players after the Bosman ruling does not stop the manipulation by the big clubs in transfer trading.




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